

DECOMMISSIONING PLAN  
FOR THE CALVERT CLIFFS  
INDEPENDENT SPENT FUEL STORAGE  
INSTALLATION  
(ISFSI)  
REVISION 1

Baltimore Gas & Electric Company  
Docket No. 72-8 (50-317 and 50-318)  
AUGUST 18, 1992

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# DECOMMISSIONING PLAN FOR THE CALVERT CLIFFS ISFSI

## I. INTRODUCTION

Based on the requirements specified in 10 CFR 72.30, Baltimore Gas and Electric Company (BG&E) is submitting its decommissioning plan for Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI). Additionally, information indicating how reasonable assurance will be provided that funds be available to decommission the facility is addressed in Section VI of this report. Baltimore Gas and Electric Company procured the services of TLG Engineering, Inc., to prepare the revised decommissioning cost estimation. TLG Engineering is located in Bridgeport, CT and has performed numerous nuclear decommissioning cost estimates.

Baltimore Gas and Electric Company began commercial operation of the Calvert Cliffs Nuclear Power Plant, Units 1 and 2 on May 8, 1975, and April 1, 1977, respectively. Since then, these two 2,700 MWT units have generated millions of KWH in a safe and reliable manner. In so doing, these units have discharged more than 1,350 spent fuel assemblies. These assemblies are currently stored in a common storage pool.

In order to provide spent fuel storage until the Department of Energy (DOE) begins to accept title to spent fuel under the requirements of the Nuclear Waste Policy Act (NWPA) of 1982, as amended in 1987, BG&E has chosen the NUHOMS-24P ISFSI to be used on the Calvert Cliffs site for the purpose of providing a safe interim storage for irradiated fuel assemblies. The layout of the ISFSI on the Calvert Cliffs site is shown on Figure 1. The NUHOMS-24P system is described in detail in Reference (1).

This decommissioning plan includes sections on the general description of the ISFSI, the major technical issues and actions associated with decommissioning Calvert Cliffs ISFSI, decontamination issues, residual radioactivity concerns, a decommissioning cost study, and the financial plan for funding the decommissioning-related activities for the Calvert Cliffs ISFSI.

## II. GENERAL DESCRIPTION OF INSTALLATION

### General Description

Despite DOE's obligations under the NWPA of 1982, as amended, to begin accepting fuel on January 31, 1998, BG&E's current best estimate for the earliest date for DOE to meet that obligation to receive spent fuel for permanent disposal is the year 2010. The provision in the license application for 120 horizontal storage modules (HSMs) will provide the storage capacity needed to carry Calvert Cliffs to the end of its currently licensed operating life, should that additional storage be required. The ISFSI will be decommissioned when the NRC terminates the facility license.

The ISFSI provides horizontal dry storage of irradiated fuel assemblies in a concrete module. The principal components are a concrete HSM and a stainless steel dry shielded canister (DSC) with an internal basket which holds the fuel assemblies. Each HSM contains one DSC and each DSC contains 24 fuel assemblies.

The initial phase of construction includes 48 HSMs. Additional modules can be added as required on separate foundations without impact to the preceding or subsequent modules. Analyses for structural and foundation requirements provide for constructing modules in a 2x6 array. The layout of the ISFSI is shown on Figure 2.

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In addition to these primary components, the Calvert Cliffs ISFSI also requires transfer equipment to move the DSCs from the spent fuel pool (where they are loaded with spent fuel) to the HSMs where they are stored. This transfer system consists of a transfer cask, a hydraulic ram, a truck, a trailer, and a cask skid. This transfer system will interface with the existing Calvert Cliffs spent fuel pool, the new cask handling crane, and the site layout (i.e., roads and topography) and will be controlled by procedural requirements.

The NUHOMS-24P system provides safe interim storage for irradiated fuel assemblies. The fuel assemblies are confined in a helium atmosphere by a stainless steel canister. The dry shielded canister (DSC) is protected and shielded by a massive concrete horizontal storage module (HSM). Decay heat is removed by thermal radiation, conduction and convection from the canister to an air plenum inside the concrete module. Air flows through this internal plenum by natural draft convection.

The DSC containing 24 irradiated fuel assemblies is transferred from the spent fuel pool to the concrete module in a transfer cask. The cask is precisely aligned and the DSC is then inserted into the module by means of a hydraulic ram.

The NUHOMS-24P system is a totally passive installation that is designed to provide shielding and safe confinement of irradiated fuel. The DSC and HSM have been designed to withstand certain accidents, such as tornados, earthquakes, flooding, cask drops, DSC leakage, and blockage of the air inlets and outlets of the HSM.

The fuel assemblies to be stored in the ISFSI are located in the Calvert Cliffs spent fuel pool and were irradiated only in the Calvert Cliffs reactors. Twenty-four fuel assemblies are stored in each DSC, and one DSC is stored in each concrete module. The license application requested a license to construct and operate a total of 120 modules (2,880 assemblies). These modules will be built incrementally, as needed, to match BG&E's requirements for additional storage. Operation of the facility will continue for up to 20 years under the initial license and continue under license renewal, as necessary, until permanent facility is available for spent fuel storage. As defined in Table 1.2-2 of Reference (1), the service life of the facility is expected to be a minimum of 50 years.

### Principal Site Characteristics

The ISFSI is located on the Calvert Cliffs Nuclear Power Plant site near Lusby, Maryland. Baltimore Gas and Electric Company owns and operates two 2,700 MWT nuclear generating units on the Calvert Cliffs site. The ISFSI is located outside the protected area, but within the owner controlled area approximately 1,300 ft. west of the plant's switchyard.

### Principal Design Criteria

The principal design criteria and parameters for the Calvert Cliffs ISFSI are shown in Table 1.2-1 of the Updated Safety Analysis Report (Reference 6). A detailed description of the criticality safety, shielding, structural, and decay heat removal features of the storage system is also presented in Reference (6).



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### Operating and Fuel Handling Systems

The major operating systems of the ISFSI are those required for fuel handling in the Auxiliary Building and transport of the transfer cask and DSC from the spent fuel pool to the ISFSI. The majority of the fuel handling operations involving the transfer cask, which take place in the Auxiliary Building (i.e., fuel loading, drying, trailer loading, etc.) utilize standard techniques at Calvert Cliffs for spent fuel shipment. The remaining operations (canister seal welding, transfer cask-HSM alignment, and DSC transfer) are unique to the ISFSI.

### Safety Features

The principal safety features of the ISFSI are inherent in the design of the DSC and the HSM. These safety features include protection of the spent fuel from the consequences of extreme environmental phenomena, redundant DSC closure welds to ensure containment, and a range of operational design features to maintain occupational doses ALARA. Additional details of the safety features of the NUHOMS-24P System are presented in Section 1.2.4 of Reference (1).

### Radioactive Waste and Auxiliary Systems

A minimal amount of radioactive waste is generated during normal storage operations and, because of the passive nature of the ISFSI, no auxiliary systems are required for storage. The DSC Vacuum Drying System, used during initial canister closure operations, is an auxiliary system which pumps contaminated water from the DSC to plant processing systems or back to the spent fuel pool. It is also used to evacuate the DSC and backfill it with helium. The existing Calvert Cliffs Auxiliary Building processing systems are used to handle water and gases which are drained and vented from the cavity of the DSC during the drying process.

## III. DECONTAMINATION

10 CFR 72.130 provides criteria for decommissioning. It requires that considerations for decommissioning be included in the design of an ISFSI and that "provisions must be made to facilitate the decontamination of structures and equipment, minimize the quantity of radioactive wastes and contaminated equipment, and facilitate removal of radioactive wastes and contaminated materials at the time the ISFSI is permanently decommissioned. The activities associated with decontamination are discussed below for two time periods at decommissioning and normal operation.

### At Decommissioning

As the DSC end plates are sealed by separate redundant closure welds, there will be no decontamination of the exterior surfaces of the DSC or the HSM required at the time of decommissioning. These redundant closure welds help prevent any escape of radioactivity from the DSC.

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Depending on economic and regulatory conditions at the time of decommissioning, the DSC could be returned to the spent fuel pool, cut open, and the spent fuel assemblies repositioned into storage racks. The irradiated fuel assemblies would then be loaded into certified transportation casks for shipping to the repository. After the DSC interior is cleaned to remove loose contamination, the DSC could then be disposed of as low level waste or possibly even as scrap.

The current design of the NUHOMS system is based on the intended eventual disposal of each DSC following fuel removal (if required). However, it is also possible that the DSC shell/basket assembly could be reused. Such an alternative would be dependent on economic and regulatory conditions at the time of fuel removal (Reference 1). The decommissioning cost estimation is based on the assumption that the DSC will be disposed of as a contaminated waste.

### Normal Operation

To prevent exterior contamination of the DSC by spent fuel pool water during DSC loading, the annulus between the DSC and the transfer cask will be filled with clean demineralized water and then sealed with a mechanical seal and/or suitable tape prior to placing the DSC and the transfer cask into the pool.

After decontamination of the outer surface of the transfer cask, the water in the annulus will be drained and sampled for contamination. Also, the exterior surface of the DSC will be checked for smearable contamination to a depth accessible by hand. If no unacceptable contamination has been found, the DSC exterior will be presumed clean. The DSC exterior surface will be shown to be within the contamination limits of the proposed ISFSI Technical Specifications in Section 10.3.2.6 of the Updated Safety Analysis Report prior to moving the DSC and transfer cask from the Auxiliary Building. By minimizing the contamination of the DSC, the potential for contaminating the internal surfaces of the HSM will be kept to a minimum.

Within the Auxiliary Building, decontamination of equipment will be required for the transfer cask and yoke exterior surfaces, the top surface of the DSC, shield plug, and for tools which may become contaminated during DSC drying and sealing operations.

Decontamination of the transfer cask exterior after removal from the spent fuel pool will be performed in the Auxiliary Building Cask Washdown Pit. The transfer cask will be manually decontaminated using detergents and wiping cloths before removal from the Auxiliary Building. The DSC top shield plug will be decontaminated in the same manner prior to being seal welded to the DSC body.

Contaminated tools will be cleaned using existing plant procedures and facilities.

Based on the above, decontamination will be an ongoing activity during normal operation and should be very limited during decommissioning of the ISFSI.

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### IV. RESIDUAL RADIOACTIVITY AND ACTIVATION ANALYSIS

The NRC's Safety Evaluation Report (SER) for the NUHOMS Topical Report (Page 11-4) states that the primary reason for requiring a clean exterior surface of the DSC is to reduce the total amount of activity available as a source of potential contamination for the HSM interior. If the DSC exterior is initially below the contamination guidelines given in the proposed Technical Specification (Section 10.3.2.6 of the Updated Safety Analysis Report, Reference 6), contamination of the HSM interior will be much lower than these values. Therefore, the surface contamination levels of the HSM are limited to levels which are much less than the initial DSC surface levels. However, there will be neutron activation of the HSM building material at the time of decommissioning due to the neutron flux emanating from the DSC.

Neutron activation of the HSM (Reference 5) will require removal of interior portions of the concrete walls and structural steel, and the disposal of this material at a low-level radioactive waste (LLRW) facility. Based upon current NRC guidance regarding the decommissioning of concrete, components and structures (Federal Register Vol. 57, No. 74, April 16, 1992, Notice 13389), neutron-activated regions of the HSM will be removed (up to six inches of the inside surface) so that the exposure rate is less than five microrentgen per hour above natural background at one meter. This neutron-activated debris will be transported to a LLRW facility for disposal. The balance of the HSM will be demolished and disposed of in a non-radioactive, conventional manner.

### V. DECOMMISSIONING COST STUDY

The following assumptions were used in the decommissioning cost study for the Calvert Cliffs ISFSI:

1. Cost estimate is given in 1992 dollars. Escalation will be added as required;
2. Power block structures have been dismantled prior to the decommissioning of the dry storage facility. The site will have been cleared with only the dry storage facility remaining. As such, the work force to accomplish the decommissioning, e.g., engineering, health physics and general labor, is assumed to be either subcontracted or acquired from other BG&E facilities.
3. Disposal costs for low-level waste disposal are based upon current rates, and surcharges, at the Barnwell Low-Level Waste Disposal Facility.
4. The spent fuel assemblies are assumed to be removed from the DSC.
5. The DSCs, DSC support rails and DSC transfer supports will be activated to levels requiring their disposition as low-level waste. Metallic components will be sectioned onsite to increase packaging efficiencies and provide a reduction in the overall volume designated for disposal.
6. The dry shielded canister steel will be segmented onsite and packaged into low specific activity (LSA) boxes specially designed to handle very heavy loads. The LSA waste from the DSCs are assumed to be packaged to a density of 200 pounds per cubic foot, excluding the weight and volume of the LSA box itself.

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7. Special aggregate stone was used for the ISFSI concrete in order to attain a specific concrete density. It is assumed that this aggregate is not sufficiently different in its trace element contents so as to cause significantly greater than normal neutron activation.
8. Decontamination, and release, of the HSM for conventional demolition can be accomplished with the removal of the inner six inches of concrete.
9. The activated concrete from the inner surfaces of the HSMs will be removed to a depth of six inches using wall sawing to create kerfs from which the one-foot square blocks will be pried from the wall. These blocks will be packaged into special high weight capacity LSA boxes; the as-poured removal volume will expand by 20% to account for packaging inefficiencies and the burial volume of the LSA package itself.
10. Baltimore Gas and Electric Company will provide health physics support over the duration of the decontamination program. The utility will also provide security for the site. The security presence will be reduced, once the license for the facility has been terminated, to a single watchman. This is necessitated by the potential danger from the explosives stored onsite during the demolition phase of the program.
11. There is a \$100,000 per year allowance for onsite radioactive waste water processing; such costs include filtration/demineralization, solidification, packaging, shipping and burial.
12. This estimate assumed the availability of part-time BG&E personnel for such activities as QA, licensing and environmental monitoring.
13. Staff costs were based upon utility salaries representative of the northeast, i.e., 1992 salaries.
14. The program schedule contains allowances for NRC-required confirmation surveys in support of the release of the dry storage facility and the termination of the Part 72 license.
15. Insurance and tax costs are not included in the cost estimate.
16. Sales tax, permits, performance bonds and any builders' risk insurance costs are excluded;
17. Contract limit line for this project is 2.0 ft inside the inner security fence;
18. Site to be filled to level grade and re-seeded;
19. Union skilled laborers, operators and teamsters will be utilized on a subcontract basis.

The following cost estimate was based on decommission of all 120 proposed HSMs. If not all the proposed HSMs are built prior to decommissioning the ISFSI facility, this cost estimate would be less than that indicated.

The following table summarizes the demolition cost study for the ISFSI.



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DECOMMISSIONING COST ESTIMATE IN 1992 DOLLARS  
CALVERT CLIFFS ISFSI

COST ACTIVITY DESCRIPTION	COST SUMMARY							Total Costs
	Decon \$	Remove \$	Package \$	Ship \$	Bury \$	Other \$	Contingency \$	
<b>PHASE 0: Planning (during fuel shipment period)</b>								
Write Activity Specifications:								
- Mill Sawing						\$13,600	\$2,040	\$15,640
- Drill & Spall						\$10,200	\$1,530	\$11,730
- Cutting/Handling Contaminated Steel						\$13,600	\$2,040	\$15,640
- Packaging LSA Waste						\$10,200	\$1,530	\$11,730
Write Detailed Procedures:								
- Mill Sawing						\$20,400	\$3,060	\$23,460
- Drill & Spall						\$15,300	\$2,295	\$17,595
- Cutting/Handling Contaminated Steel						\$20,400	\$3,060	\$23,460
- Packaging LSA Waste						\$15,300	\$2,295	\$17,595
- Safety						\$27,200	\$4,080	\$31,280
- Radiation Protection						\$27,200	\$4,080	\$31,280
Revise Decommissioning Plan						\$102,000	\$15,300	\$117,300
NOTE: An/ engineering after the start of decommissioning will be provided on site by the B&W staff								
Procure Equipment						\$42,500	\$6,375	\$48,875
<b>PHASE 1: Decontamination and License Termination</b>								
Site Characterization						\$48,831	\$7,325	\$56,156
Remove & Dispose of Dry Shielded Canisters		\$62,330	\$423,375	\$279,294	\$3,627,691		\$1,012,787	\$5,465,677
Mill Saw and remove inner surface of H&Ms	\$137,045		\$678,084	\$282,828	\$5,080,242		\$1,447,966	\$7,627,745
License Termination Survey						\$81,384	\$12,204	\$93,588
Additional Spot Decontamination	\$6,161		\$3,215	\$1,524	\$72,380		\$21,725	\$105,006
OR associated Universities Verification Survey						\$16,277	\$2,441	\$18,718
Terminate 10 CFR 72 License						\$40,800	\$6,120	\$46,920
<b>Phase 1 Undistributed Costs</b>								
Health Physics Supplies						\$35,003	\$5,250	\$40,253
Rigging/CCS/tooling/etc.						\$20,000	\$3,000	\$23,000
Decontamination Equipment						\$15,000	\$2,250	\$17,250
Office Trailer Rental						\$6,801	\$1,020	\$7,821
Disposal of D&W Waste			\$1,165	\$562	\$26,648		\$6,875	\$33,369
Heavy Equipment Rental						\$87,117	\$13,066	\$100,183
Cutting Equipment						\$170,600	\$25,590	\$196,190
Nuclear Liability Insurance						---	---	none
Property Taxes						---	---	none
Plant energy budget						\$1,000	\$150	\$1,150
NRC Fees						\$4,458	\$14,169	\$18,627
B&W staff						\$351,441	\$82,718	\$434,159
<b>PHASE 2: Demolition and Site Restoration</b>								
Demolition of Concrete		\$1,877,000					\$281,350	\$2,158,350
Remove Rubble		\$92,000					\$13,800	\$105,800
Grade and landscape site		\$28,000					\$4,200	\$32,200
Final Report to NRC						\$13,600	\$2,040	\$15,640
<b>Phase 2 Undistributed Costs</b>								
Rigging/tooling/etc.						\$20,000	\$3,000	\$23,000
Office Trailer Rental						\$8,279	\$1,242	\$9,521
Heavy Equipment Rental						\$121,694	\$18,254	\$139,948
Nuclear Liability Insurance						---	---	none
Property Taxes						---	---	none
Plant energy budget						\$1,000	\$150	\$1,150
B&W staff						\$276,811	\$41,522	\$318,332
	\$136,206	\$2,059,330	\$1,165,858	\$564,207	\$8,816,201	\$1,927,996	\$3,077,703	\$17,747,382

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VI. FUNDING FOR DECOMMISSIONING

In accordance with 10 CFR 72.30(b), the Calvert Cliffs ISFSI decommissioning funding plan is based on a site-specific cost estimate for the decommissioning of the Calvert Cliffs ISFSI in order to determine the appropriate amount of assuring the availability of adequate funds for the decommissioning of the ISFSI. The Calvert Cliffs ISFSI site-specific decommissioning cost estimate, as noted in Section V, is \$17,747,502 in third-quarter 1992 dollars. This cost estimate will be adjusted annually for inflation based on the NRC adjustment factor specified in 10 CFR 50.75(c)(2).

An external sinking fund, as described in 10 CFR 72.30 (c)(5), has been established in which to set aside funds on a periodic basis over the term of the ISFSI operating license. Annual deposits of \$887,375 in 1992 dollars (calculated below) will be contributed to the external sinking fund. In September or October 1992, BG&E intends to file with the Maryland Public Service Commission (MPSC) to allow decommissioning costs to be recovered from its customers. The initial payment to an external sinking fund will be made before the end of 1993, following MPSC's action on our rate request. The Calvert Cliffs ISFSI is scheduled to begin accepting fuel in November 1992. The schedule for the initial payment to the sinking fund is consistent with the guidelines outlined in Regulatory Guide 1.159 (Reference 7). The annual deposits will be updated every five years (at a minimum) to reflect any changes in the underlying cost estimate due to inflation or any other site-specific factor. The Company's ISFSI decommissioning trust fund, along with the decommissioning trust funds associated with Calvert Cliffs Units 1 and 2, is held in trust by First National Bank of Maryland, a national banking association. A copy of the existing trust agreement is attached in Appendix A.

Calculation of Annual Deposit to be Made to the ISFSI Decommissioning Trust Fund

Decommissioning Cost Estimate in 1992 Dollars	\$ 17,747,502
Term of License (1992 - 2012)	÷ <u>20</u> Years
Required Annual Payment to External Sinking Fund	\$ <u>887,375</u>

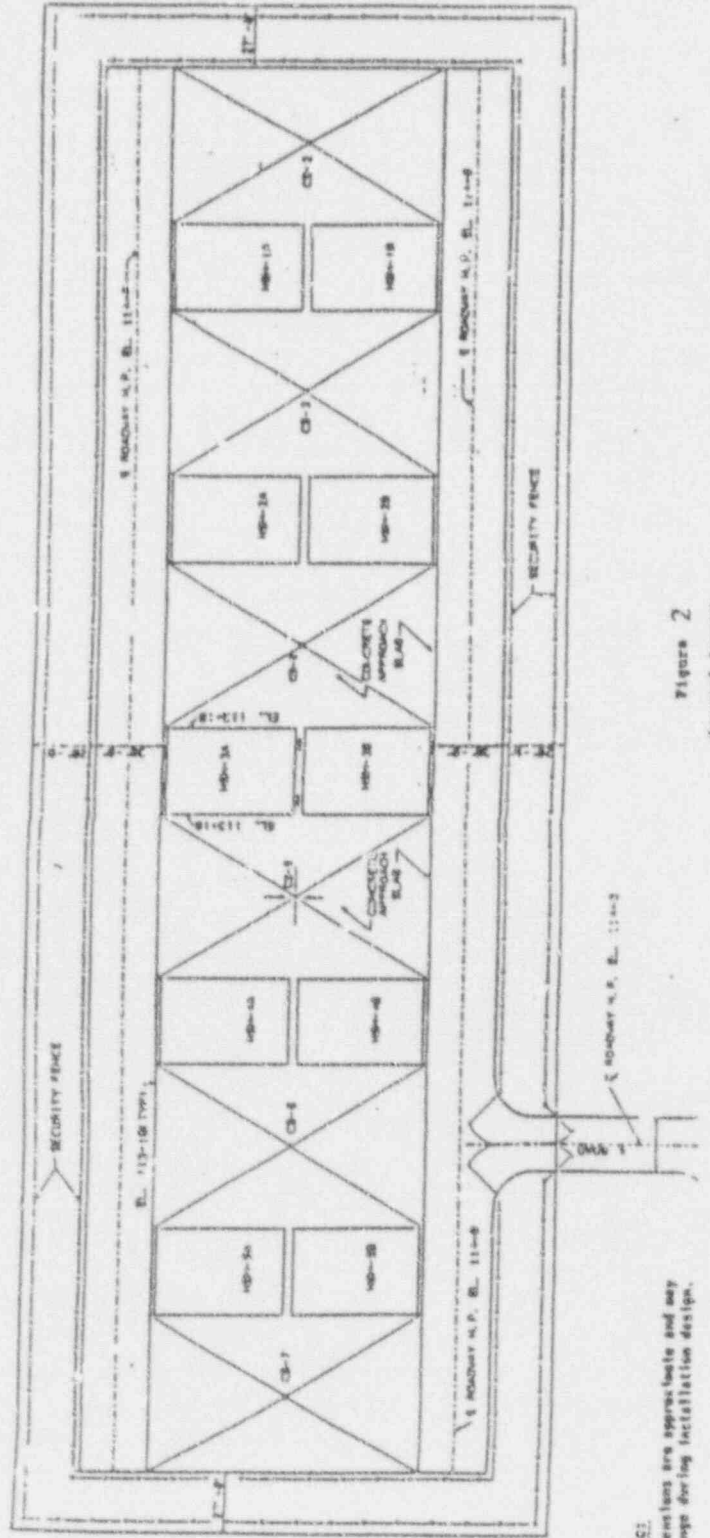


## DECOMMISSIONING PLAN FOR THE CALVERT CLIFFS ISFSI

### VII. REFERENCES

1. Topical Report for the NUTECH Horizontal Modular Storage System (NUHOMS-24P) for Irradiated Nuclear Fuel, NUH-002, Revision 1A, July 1989
2. Calvert Cliffs Independent Spent Fuel Storage Installation Environmental Report, Baltimore Gas and Electric Company
3. Termination of Operating Licenses for Nuclear Reactors, Regulatory Guide 1.86, June 1974
4. U.S. Nuclear Regulatory Commission, Office of Nuclear Material Safety and Safeguards, Safety Evaluation Report Related to the Topical Report for the NUTECH Horizontal Modular Storage System for Irradiated Nuclear Fuel NUHOMS-24P submitted by NUTECH Engineers, Inc., April 1989
5. Pacific Nuclear Fuel Services, Inc. Report (No. BGE-01-118) on Induced Radioactivity in the Calvert Cliffs NUHOMS ISFSI Horizontal Storage Module, Revision 0, April 1990
6. Updated Safety Analysis Report for Baltimore Gas and Electric Company's Calvert Cliffs Independent Spent Fuel Storage Installation (ISFSI)
7. U.S. Nuclear Regulatory Commission Regulatory Guide 1.159, "Assuring the Availability of Funds for Decommissioning Nuclear Reactors," dated August 1990.





NOTE: Dimensions are approximate and may change during installation design.

Figures 2  
General Layout

BALTIMORE GAS AND ELECTRIC COMPANY  
MASTER DECOMMISSIONING TRUST AGREEMENT  
FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATION  
AT THE CALVERT CLIFFS NUCLEAR POWER PLANT

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EXHIBIT A. CERTIFICATE

## MASTER DECOMMISSIONING TRUST AGREEMENT

THIS MASTER DECOMMISSIONING TRUST AGREEMENT, made as of this 9<sup>th</sup> day of July, 1990, effective on July 1, 1990, by and between Baltimore Gas and Electric Company, a Maryland corporation (the "Company") and The First National Bank of Maryland, a national banking association having trust powers (the "Trustee").

### RECITALS OF THE COMPANY

WHEREAS, the Company is in the process of constructing an independent spent fuel storage installation ("ISFSI"), at the Calvert Cliffs Nuclear Power Plant which it owns and operates, which will temporarily store spent fuel generated by the Plant;

WHEREAS, the Company is subject to regulation by the Public Service Commission of Maryland (the "PSC") and to certain regulation by the Nuclear Regulatory Commission (the "NRC");

WHEREAS, NRC regulations require the Company to provide financial assurance for the decommissioning expenses of the ISFSI by July 26, 1990;

WHEREAS, it is anticipated that the PSC will permit the Company to include in its cost of service for ratemaking purposes certain amounts in order to provide monies for decommissioning expenses associated with the ISFSI;

WHEREAS, the Company wishes to establish a Master Trust for the investment of funds for decommissioning the ISFSI, which funds may be divided into separate investment accounts managed by one or more investment managers designated in accordance with this Agreement;

RECITALS OF TRUSTEE

WHEREAS, The First National Bank of Maryland is a national banking association with trust powers; and

WHEREAS, The First National Bank of Maryland is willing to serve as trustee to the Master Trust on the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company hereby agrees to deliver to the Trustee and the Trustee hereby agrees to receive contributions of monies to the Master Trust within 90 days of when the ISFSI begins to store spent fuel from the Plant;

TO HAVE AND TO HOLD such assets as provided herein;

TO INVEST AND REINVEST the assets of the Master Trust as provided herein;

TO DISBURSE OR DISTRIBUTE from the Master Trust as provided herein;

IN TRUST NEVERTHELESS, for the uses and purposes and upon the terms and conditions hereinafter set forth.

ARTICLE I. DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall have the following meanings:

(1) "Agreement" shall mean and include this Master Decommissioning Trust Agreement as the same may from time to time be amended, modified or supplemented.

(2) "Certificate" shall mean a document properly completed and executed as provided in Section 12.8.

(3) "Company" shall mean the Baltimore Gas and Electric Company, or any successor thereto.

(4) "Contribution" shall mean any contribution, cash or marketable securities, made to the Master Trust by the Company.

(5) "Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

(6) "Decommissioning Costs" shall be as defined in 10 CFR 72.3.

(7) "Excess Contribution" shall have the meaning set forth in Section 3.2 hereof.

(8) "Fair Value" for any security held by the Master Trust shall be determined as follows:

(a) securities listed on the New York Stock Exchange ("NYSE") or American Stock Exchange ("AMEX") shall be valued at the closing price as shown in the New York Stock Exchange Composite Transaction or American Stock Exchange Composite Transaction, as applicable, as of the most recent trading date of the applicable exchange on or prior to the valuation date. Securities traded on exchanges other than the NYSE or AMEX, including the National Association of Securities Dealers Automated Quotation System shall be valued at the closing price as of the most recent trading date of the applicable exchange on or prior to the valuation date, and

(b) all other securities and assets shall be valued at their market values as fixed by the Trustee's staff regularly engaged in such activities; provided, however, that at the request of the Trustee an Investment Manager shall determine the value of any securities or other property managed by that Investment Manager and such determination shall be regarded as a direction binding upon the Trustee for purposes of the Fair Value of such securities.

(9) "FERC" shall mean the Federal Energy Regulatory Commission.

(10) "Investment Manager(s)" shall mean the investment counselor(s), if any, designated from time to time by the Company, excluding the Trustee.

(11) "Investment Manager Agreement(s)" shall mean the agreement(s) between the Company and one or more investment counselor(s) selected by the Company which agreement(s) governs the investment of all or any portion of the Master Trust.

(12) "Master Trust" shall consist of all Contributions to the trust established hereby, together with investments and reinvestments thereof and any income, earnings and appreciation thereon, reduced by any losses, depreciation and disbursements made by the Trustee.

(13) "NRC" shall mean the Nuclear Regulatory Commission.

(14) "Order" shall mean any relevant order of the PSC, FERC, or NRC affecting any aspect of the decommissioning of the Plant.

(15) "Plant" shall mean the Company's ownership interest in the Calvert Cliffs Nuclear Power Plant.

(16) "PSC" shall mean the Public Service Commission of Maryland.

(17) "Service" shall mean the Internal Revenue Service.

(18) "Successor Trustee" shall mean any entity appointed as Successor Trustee pursuant to Section 9.6 hereof.

(19) "Trustee" shall mean The First National Bank of Maryland, a national banking association organized and existing under the laws of the United States of America having trust powers.



ARTICLE II. MASTER TRUST PURPOSES AND NAME

2.1 Master Trust Purposes. The purposes of this Master Trust are to hold and invest Contributions and any profits, income, gains or earnings from the investment and reinvestment of the Contributions for the contemplated decommissioning of the ISFSI, and to comply with any Order applicable to the Master Trust.

2.2. Establishment of Master Trust. The Company hereby establishes with the Trustee the Master Trust and Trustee hereby agrees to serve as trustee on the terms and conditions herein set forth. The Master Trust hereby established shall consist of such Contributions as may from time to time be delivered to the Trustee by the Company and the earnings and appreciation thereon, reduced by any losses, depreciation, and payments made by the Trustee. The Company will not begin to provide contributions to the Master Trust until the ISFSI begins to accept spent fuel from the Plant, which is not anticipated to be any earlier than 1992. The Company hereby appoints The First National Bank of Maryland as Trustee of the Master Trust. The Trust shall be held by the Trustee, IN TRUST, and dealt with in accordance with the provisions of this Agreement. No part of the corpus or income of the Trust shall be used for or devoted to any purpose other than for the exclusive purpose of providing funds for the nuclear decommissioning of the ISFSI; provided, however, that amounts in the Master Trust may be used to pay administrative costs and other incidental expenses of the Master Trust, as provided in Section 6.2 hereof.

2.3 Acceptance of Appointment. The First National Bank of Maryland accepts the appointment as Trustee of this Master Trust. The Trustee shall receive any Contributions transferred to it by the Company; and, except as otherwise hereinafter provided, the Trustee shall manage, invest and



reinvest the Master Trust (without distinction as to principal and income), collect the income thereof, and make payments therefrom pursuant to the terms of this Agreement. The Trustee shall be responsible only for the money and property actually received by it hereunder. The Trustee shall have no duty or authority to compute any amount to be paid to it by the Company or to bring any action or proceeding to enforce the collection from the Company of any contribution to the Master Trust.

2.4 Name of Master Trust. The Master Trust shall be designated on the Trustee's books as the "Baltimore Gas and Electric Company Master ISFSI Decommissioning Trust."

2.5 Delivery and Interpretation of Orders. The Company agrees to provide the Trustee with a copy of each Order, along with an explanation, if necessary, of the terms of each Order, and to respond promptly to questions raised by the Trustee concerning the terms of each Order. The Trustee shall have no duty to challenge any Order.

2.6 No Authority to Conduct Business. The purposes of this Master Trust are limited to the matters set forth specifically in Section 2.1 above, and there is no objective by the Company or the Trustee with respect to this Master Trust to carry on any business unrelated to such Master Trust purposes, or to divide the gains therefrom.

2.7 No Transferability of Interest in Master Trust. The interest of the Company in the Master Trust is not transferable, whether voluntarily or involuntarily, by the Company nor subject to the claims of creditors of the Company.

ARTICLE III. CONTRIBUTIONS AND SUBSEQUENT ADJUSTMENTS

3.1 Contributions to Master Trust. The Company will begin to provide contributions to the Master Trust when the ISFSI begins to accept spent fuel from the Plant, as set forth in Section 2.2 hereof. From time to time thereafter, and prior to the termination of the Master Trust, the Company may make, and the Trustee shall accept, Contributions to the Master Trust to satisfy the purposes of this Master Trust as set forth in Section 2.1, which Contributions shall be designated by the Company for credit to the appropriate Fund(s) and which thereafter shall be held, managed and distributed by the Trustee pursuant to this Agreement. The Trustee shall have no obligation to ensure that the Contributions of the Company are sufficient to carry out the purposes of this Master Trust.

3.2 Subsequent Adjustments. The Trustee and the Company understand that the Contributions made by the Company to the Master Trust from time to time may exceed the amount required to be paid into such trust pursuant to NRC regulations due to changes in estimates, subsequent developments or any other event or occurrence which could not reasonably have been foreseen by the Company at the time such contribution was made (the amount of any such excess being hereinafter referred to as an "Excess Contribution"). Upon the written notification of the Company to the Trustee setting forth the amount of the Excess Contribution and stating that such Excess Contribution should be paid to any person or entity including but not limited to the Company, the Trustee shall transfer or pay such Excess Contribution, as the case may be, to the person or entity specified by the Company in the written notification. The Trustee shall have no obligation to determine whether any Contribution is an Excess Contribution.

ARTICLE IV. TRUSTEE'S INVESTMENT POWERS

4.1 General Investment Powers. To the extent that the assets of the Master Trust are not under the management of an Investment Manager as provided in Article V hereof, upon the written direction of the Company, the Trustee shall have the following investment powers, all of which are exercisable in a fiduciary capacity and in the best interests of the Master Trust without court approval:

(a) Investment Guidelines. generally, to hold, manage and invest the assets of this Master Trust with the objective of seeking (within the investment restrictions specified herein and under laws) rules, regulations and Orders applicable to the Master Trust, current income with liquidity and safety of principal;

(b) Investment of Master Trust. to invest and reinvest all or any part of the Master Trust, including any undistributed income therefrom in any and all kinds of securities, including, but not limited to, common and preferred stocks, bonds, debentures, notes, mortgages and options on property; in money market funds, commercial paper, repurchase agreements, United States Treasury obligations, certificates of deposit, savings accounts, checking accounts, other cash investment medium, investment trusts, common trust funds, or in any other interest or investment medium, even though such investment would not be of a character authorized by applicable law but for this provision; provided, however, that no such investment or reinvestment may be made by the Trustee which to the knowledge of the Trustee would contravene any Order, or any written instructions issued by the Company. In all cases, however, the total investments must be sufficiently liquid, in the reasonable opinion of the Trustee, to enable the Master Trust to fulfill the purposes of the Master Trust and to satisfy obligations and contemplated payments from the

Master Trust as such obligations and payments become due. Nothing in this Section 4.1(b) shall be construed as authorizing the Trustee to carry on any business or to divide the gains therefrom; and

(c) Management of Master Trust. to sell, exchange, partition or otherwise dispose of all or any part of the Master Trust at public or private sale, without prior application to or approval by or order of any court, upon such terms and in such manner and at such prices as the Trustee shall determine; to modify, renew or extend mortgages, bonds, notes or other obligations or any installment of principal thereof or any interest due thereon and to waive any defaults in the performance of the terms and conditions thereof; and to execute and deliver any and all bills of sale, assignments, bonds or other instruments in connection with these powers, all at such times, in such manner and upon such terms and conditions as the Trustee may deem expedient to accomplish the purposes of the Master Trust as set forth in Section 2.1 hereof. No person dealing with the Trustee shall be bound to review, analyze, or investigate the application of any consideration or proceeds of sales.

4.2 Estimates of Liquidity. The Company shall provide the Trustee from time to time with the Company's estimate of the liquidity needs of the Master Trust. The Trustee shall furnish such information reasonably requested by the Company to determine such estimates.

4.3 Liquidation of Fund Investments. The Trustee shall have no liability for investment losses or penalties incurred as a result of a liquidation of Master Trust investments made to effect disbursements from the Master Trust at the direction of the Company or an Investment Manager.

4.4 Temporary Investments. The Trustee shall invest temporarily idle cash balances awaiting disbursement or permanent investment (by the



Investment Manager pursuant to Article V hereof or by the Trustee pursuant to Section 4.1 hereof) in investment vehicles which conform to the requirements on such investments specified in Section 4.1(b) hereof.

ARTICLE V. AUTHORIZATION TO DIRECT INVESTMENT  
BY INVESTMENT MANAGERS

5.1.i Appointment of Investment Manager(s). The Company shall have the right from time to time to appoint one or more properly qualified Investment Managers to direct the investment, in the manner provided in Article IV, of all or a portion of the Master Trust and shall, by written notice, advise the Trustee of such appointment and how the investment responsibility is to be divided with respect to the assets of the Master Trust. Any such Investment Manager shall be (i) registered as an investment advisor under the Investment Advisors Act of 1940, (ii) a bank, as defined in such Act, or (iii) an insurance company qualified to perform investment management services under the laws of more than one State. If investment of the Master Trust is to be directed in whole or in part by an Investment Manager, the Trustee shall be given copies of the instrument(s) appointing the Investment Manager and evidencing his acceptance of such appointment and acknowledgment that he is a fiduciary of the Master Trust, the identity of person(s) authorized to give instructions to the Trustee on behalf of such Investment Manager, including specimen signatures, and a certificate evidencing the Investment Manager's registration under said Act (unless the Investment Manager is a bank or an insurance company). The Company reserves the right to revoke the appointment of any Investment Manager appointed by it and shall give notice in writing to the Trustee of any such revocation. The Trustee may continue to rely upon the instrument(s) and certificate appointing the Investment Manager until otherwise notified in writing.

5.1.2 Duties of Trustee. The Trustee shall follow the directions of the Investment Manager regarding the investment and reinvestment of the Master Trust, or such portion thereof as shall be under management by the investment Manager, and shall be released and relieved of all investment duties, responsibilities and liabilities for or in respect of the investing of the Master Trust or portion thereof managed by the Investment Manager, as the case may be, and with respect to such portion or all of the assets of the Master Trust in that regard, shall act only as a custodian.

5.2.1 Direction by Investment Manager(s). An Investment Manager designated to manage the Master Trust or any portion thereof shall have authority to manage, and to direct the acquisition and disposition of the assets of the Master Trust, or such portion as the case may be, and with respect to such portion or all of the assets of the Master Trust, the Trustee shall exercise the powers set forth in Article IV hereof only when, if and in the manner directed by the Company in writing. An Investment Manager shall have the power and authority, exercisable in its sole discretion at any time and from time to time, to issue and place orders for the purchase or sale of portfolio securities directly with qualified brokers or dealers. The Trustee, upon proper notification from an Investment Manager, shall settle and record the transaction in accordance with the appropriate trading authorizations. Written notification of the issuance of each such authorization shall be given promptly to the Trustee by an Investment Manager, and such Investment Manager shall cause the execution of such order to be confirmed in writing to the Trustee and to the Company by the broker or dealer. Upon written notification from the Company to the Trustee, such Investment Manager may cause brokers and dealers to confirm trades to the Trustee through the "Institutional Delivery System" and the Trustee shall be entitled to rely upon such confirmations to



settle purchases or sales of securities. Such notification shall be proper authority for the Trustee to pay for portfolio securities purchased against receipt thereof and to deliver portfolio securities sold against payment therefor, as the case may be. All directions to the Trustee by an Investment Manager shall be given in writing, or given orally if followed immediately by written directions, and shall be signed by a person who has been specified by such Investment Manager pursuant to Section 5.1.1 hereof as authorized to give instructions or directions to the Trustee.

5.2.2 Supervision by Company. It shall be the sole responsibility of the Company to define the authority of an Investment Manager and the terms and conditions of the appointment and retention of such Investment Manager, and the Trustee shall not be deemed to be a party to or to have any obligations under any agreement with an Investment Manager. Any duty of supervision or review of the acts, omissions or overall performance of an Investment Manager shall be the exclusive responsibility of the Company, and the Trustee shall have no duty to review any securities or other assets purchased by an Investment Manager, or to make suggestions to an Investment Manager or to the Company with respect to the exercise or nonexercise of any power by an Investment Manager.

5.2.3 Liability of Trustee. Unless the Trustee knowingly participates in, or knowingly undertakes to conceal, an act or omission of an Investment Manager, knowing such act or omission to be a breach of the fiduciary responsibility of an Investment Manager, the Trustee shall be under no liability for any loss of any kind which may result by reason of any action taken or not taken by it in accordance with any direction of an Investment Manager pursuant to this Agreement. With respect to any assets invested by an Investment Manager, the Trustee shall be under no liability for any loss of

any kind by reason of Master Trust investments purchased, sold, or retained at the direction of such Investment Manager, nor for the risk of diversification or the turnover of the investments, nor for any other aspect of that portion of the Trust for which an Investment Manager has been appointed.

5.2.4 Trustee's Duties Upon Resignation of Investment Manager.

In the event that an Investment Manager shall resign or be removed by the Company, or the Investment Manager's discretionary authority be terminated prior to such resignation or removal, upon the written direction of the Company, the Trustee shall manage the investment of that portion of the Master Trust for which such Investment Manager was responsible pursuant to Article IV unless and until it shall be notified of the appointment of another Investment Manager as provided in Section 5.1.1 hereof.

ARTICLE VI. DISTRIBUTIONS

6.1 Payment of Decommissioning Costs. Upon receipt of a Certificate from the Company directing payment of Decommissioning Costs, the Trustee shall make payments of Decommissioning Costs, to the extent of monies held in the Master Trust, to any person (including the Company) for goods provided or labor or other services rendered in connection with the decommissioning of the ISFSI. The Trustee shall rely on the Company to determine that each such payment is a Decommissioning Cost.

6.2 Payment of Expenses of Administration. Upon receipt of a Certificate from the Company directing payment of administrative costs and other incidental expenses, the Trustee shall make payments, to the extent of monies held in the Master Trust, of administrative costs and other incidental expenses of the Master Trust (including taxes, legal, accounting, actuarial expenses and trustee and investment manager fees) in connection with the

operation of the Master Trust pursuant to this Agreement. In the event that the assets of the Master Trust are insufficient for the Trustee to pay the administrative costs and incidental expenses of the Master Trust as they arise, the Company agrees to pay such costs and expenses to the appropriate payee(s) upon receipt of a written invoice for same from the Trustee or payee(s). Except for Trustee's fees and expenses, the Trustee shall rely on the Company to determine that each such payment is for such administrative costs and other incidental expenses.

6.3 Fees. The Trustee shall receive as exclusive compensation for its services those amounts specified in the fee schedule as may from time to time be agreed upon in writing by the Trustee and the Company. All such compensation shall constitute an obligation of the Master Trust until paid.

6.4 Liquidation of Investments. Except as otherwise provided in Article IV, at the direction of the Company or any Investment Manager, the Trustee shall sell or liquidate, within a reasonable time period, such investments in the Master Trust as may be requested or required in order to make any payment or distribution, and shall, until disbursement, restore the proceeds to the Master Trust.

#### ARTICLE VII. VOTING OF SECURITIES HELD IN TRUST

7.1 Voting of Securities Held in Trust. The Trustee shall have power in its discretion to exercise all voting rights with respect to any investment held in the Master Trust and to grant proxies, discretionary or otherwise, with respect thereto; provided, however, that at any time the Company may direct in writing the Trustee on how to vote such investments or direct in writing the Trustee to send to an Investment Manager acting as provided in Article V all or a portion of the proxies and proxy materials

relating to such investments, signed by the Trustee without indication of voting preference and the Investment Manager shall exercise all voting rights with respect thereto.

ARTICLE VIII. GENERAL POWERS OF TRUSTEE

8.1 General Powers of Trustee. The Trustee shall have, with respect to the Master Trust, the following powers, all of which powers are exercisable in a fiduciary capacity and in the best interests of this Master Trust without court approval:

(a) Registration of Securities. To cause any investment to be registered and held in the name of one or more of its nominees, or one or more nominee of any system for the central handling of securities, without increase or decrease of liability;

(b) Collection of Money and Property. To collect and receive any and all money and other property due to the Master Trust and to give full discharge herefor;

(c) Extension of Obligations; Negotiation of Claims and Legal Proceedings. To renew or extend the time of payment of any obligation, secured or unsecured, payable to or by this Master Trust, for as long a period or periods of time and on such terms as the Trustee shall determine, and to adjust, settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Master Trust; to commence or defend suits or legal proceedings to protect any interest of the Master Trust; and to represent the Master Trust in all suits or legal proceedings in any court or before any other body or tribunal;

(d) Employment of Professional and Employee Services. To employ such attorneys, accountants, custodians, engineers, contractors,

clerks, and agents, as are necessary and reasonable to carry out the purposes of this Master Trust;

(e) Delegation of Ministerial Powers. To delegate to other persons such ministerial powers and duties as the Trustee may deem to be advisable;

(f) Powers of Trustee to Continue Until Final Distribution. To exercise any of such powers after the date on which the principal and income of the Master Trust shall have become distributable and until such time as the entire principal of, and income from, the Master Trust shall have been actually distributed by the Trustee. It is intended that distribution of the Master Trust will occur as soon as possible upon termination of the Master Trust, subject, however, to the limitations contained in Article X hereof; and

(g) Discretion in Exercise of Powers. To do any and all other acts to effectuate the powers specifically conferred upon the Trustee by this Agreement; provided, however, that the Trustee may not do any act or participate in any transaction in connection with this Master Trust which, in and of itself, and separate from any action of the Company actually known to the Trustee, the Trustee knew or reasonably should have known in the normal course of its business as Trustee would violate the terms (as interpreted for the Trustee by the Company) of any Order delivered to the Trustee, or violate the terms of this Agreement or any applicable law, regulation or ruling.

8.2 No Implied Duties. The Trustee shall have no duties nor responsibilities with respect to the Master Trust which are not expressly set forth herein.



ARTICLE IX. TRUSTEES

9.1 Authority of Trustee. Persons dealing with the Trustee shall be under no obligation to see to the proper application of any money paid or property delivered to the Trustee or to inquire into the Trustee's authority as to any transaction.

9.2.1 Accounting and Reports. The Trustee shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Company, and may be audited not more frequently than once in each fiscal year by an independent certified public accountant engaged by the Company. Within 15 days following the close of each month or during the period from the close of the last month to the date of termination of the Trustee's duties, the Trustee shall furnish to the Company a written report of its administration of the Master Trust from the date of the last such report setting forth all investments, receipts, disbursements and other transactions effected during the month, containing descriptions of all securities purchased, sold or distributed and the cost or net proceeds of sale, and showing all cash, securities and other investments held at the end of such month and the cost and Fair Value of each item as of the last business day of such month, carried on the books of the Trustee. Such report shall identify all contributions, earnings, expenses and distributions of each Fund.

9.2.2 Exceptions to Reports by Company. Upon the expiration of three years from the date of filing such monthly report with the Company, the Trustee shall be forever released and discharged from all liability and accountability to the Company with respect to all acts and transactions done or effected by the Trustee shown in such monthly report, except such acts or

transactions as to which the Company shall take exception by notice to the Trustee within such three-year period; provided, however, that nothing contained herein shall be deemed to relieve the Trustee of any liability which may be imposed pursuant to Section 9.4 hereof. In the event that any exception taken by the Company cannot be amicably adjusted, the Company may file the written report in a Court having jurisdiction and upon the audit thereof any and all such exceptions which may not have been amicably settled shall be heard and adjudicated. All records and accounts maintained by the Trustee with respect to the Master Trust shall be preserved for such period as may be required under any applicable law. Upon the expiration of any such required retention period, the Trustee shall have the right to destroy such records and accounts.

9.3 Tax Returns and Other Reports. The Company shall prepare and the Trustee shall execute, if acceptable to the Trustee, or with such changes as mutually agreed to by the parties, and timely file all federal, state and local income or franchise tax returns or other reports (including estimated tax returns and information returns) as may be required from time to time with respect to the Master Trust, and the Trustee agrees to provide the Company in a timely manner with any information within its possession which is necessary to such filings and which is requested by the Company. The Company agrees to cause the Investment Manager(s) to provide the Trustee with any information in its possession which is necessary to such filings. Such returns shall be submitted to the Trustee for review 15 days prior to the due date of the returns (including extensions thereof). The Trustee shall prepare and submit to the Company in a timely manner all information within its possession which is requested by the Company regarding the Master Trust required to be included in the Company's Federal, state and local income tax

returns or other reports. Subject to the limitations contained in Section 8.1(d) hereof and the consent of the Company, which will not be unreasonably withheld, the Trustee may employ independent certified public accountants or other tax counsel to review such returns and reports. The Trustee agrees to sign any tax returns or other reports where required by law to do so or arising out of the Trustee's responsibilities hereunder, and, as directed by the Company in accordance with Section 6.2, to remit from the Master Trust appropriate payments or deposits of federal, state and local income or franchise taxes directly to the taxing agencies or authorized depositories in a timely manner. The Trustee shall furnish the Company copies of all executed tax returns or other reports within 10 days after the filing date of such returns and reports. The Trustee agrees to immediately notify the Company in writing of the commencement of any audit or receipt of a notice of tax deficiency of the Master Trust's federal, state, or local tax returns, and to participate with the Company on behalf of the Master Trust in such audits, deficiencies and related inquiries. The Trustee further agrees to provide the Company with any additional information in its possession which may be requested by the Company to be furnished in an audit of the Company's federal, state, or local tax returns.

9.4 Liability of Trustee. The Trustee shall execute its powers and discharge its duties hereunder with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man 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. The Trustee shall not be liable for any acts, omissions or defaults of any agent (other than its officers and employees) or depository appointed or selected with reasonable care or for any acts taken or not taken at the direction of or upon

instructions from the Company, or instructions from an Investment Manager as set forth in Article V. The Trustee shall be liable for its own acts or omissions (and those of its officers and employees) occasioned by the willfulness or negligence of the Trustee (and of its officers and employees). The Trustee may consult with legal counsel of the Company, which may be an employee of the Company, and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

9.5 Certifications. Whenever in the performance of its duties hereunder the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certification as to such matter signed by any person authorized to act on behalf of the Company pursuant to Section 12.8 hereof.

9.6.1 Removal of Trustee by the Company. At any time during the term of this Master Trust, the Company shall have the right (at the Company's sole discretion) to remove the Trustee acting hereunder and appoint another qualified person or entity as Successor Trustee upon sixty (60) days' notice in writing to the Trustee or upon such shorter notice as may be acceptable to the Trustee. Notwithstanding the foregoing provision, in the event that the Trustee or any Successor Trustee shall (i) become insolvent or admit in writing its insolvency; (ii) be unable or admit in writing its inability to pay its debts as such debts mature; (iii) make a general assignment for the benefit of creditors; (iv) have an involuntary petition in bankruptcy filed against it; (v) commence a case under or otherwise seek to take advantage of

any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, statute, or proceeding; (vi) breach its fiduciary obligations; or (vii) resign, the Company shall have the right to remove the Trustee immediately upon written notice and to appoint a Successor Trustee as soon as practicable. In the event of any such removal or resignation, the Trustee or Successor Trustee shall settle its accounts as provided in Section 9.2 hereof. Any successor to the Company shall have the same right to remove and to appoint any Trustee or Successor Trustee as provided herein.

9.6.2 Designation of Successor Trustee. Any Successor Trustee shall qualify by issuing a duly acknowledged written acceptance of this Master Trust, delivered to the Company and the Trustee. Upon acceptance of such appointment by the Successor Trustee, the Trustee shall assign, transfer and pay over to such Successor Trustee the monies and properties then constituting the Master Trust. The Trustee shall be entitled to receive any administrative expenses, costs, fees and other sums due and owing to it in accordance with the provisions of this Agreement. Any Successor Trustee shall have all the rights, powers, duties and obligations herein granted to the original Trustee. If for any reason the Company cannot or does not act in the event of the resignation or removal of the Trustee, as provided above, the Trustee may apply to a court of competent jurisdiction for the appointment of a Successor Trustee. Any expenses incurred by the Trustee in connection therewith shall be deemed to be an expense of administration payable in accordance with Section 6.2 hereof.

9.7 Resignation. The Trustee or any Successor Trustee hereof may resign and be relieved as Trustee at any time without prior application to or approval by or order of any court by a duly acknowledged instrument, which shall be delivered to the Company by the Trustee not less than sixty (60) days



prior to the effective date of the Trustee's resignation or upon such shorter notice as may be acceptable to the Company.

9.8 Exoneration from Bond. No bond or other security shall be exacted or required of any Trustee appointed by this Agreement or pursuant to 9.6 in any jurisdiction.

#### ARTICLE X. TERMINATION

10.1 Termination of Master Trust in General. Except as otherwise provided in Section 10.2 hereof, this Master Trust shall terminate upon the earlier of: (i) the date that the maximum acceptable radioactivity levels mandated by the NRC with respect to the ISFSI are satisfied, as provided in the Company's written notice of same to the Trustee; or (ii) twenty-one (21) years after the death of the last survivor of the officers of the Company and such of their descendants as are in being at the effective date of this Agreement, as provided in the Company's written notice of same to the Trustee.

10.2 Distribution of Master Trust Upon Termination. Upon termination of this Master Trust, the Trustee or Investment Manager, as applicable, upon written direction of the Company, shall liquidate the assets of the Master Trust to the extent required for distribution and the Trustee shall distribute the net balance thereof (less final administrative expenses and accrued taxes) to the Company or to such person(s) at such time and in such proportion and manner as may be directed by the Company or in the absence of such direction, as may be directed by a judgment or decree of a court of competent jurisdiction.

ARTICLE XI AMENDMENTS TO AGREEMENT

11.1 Amendments to Agreement. The Trustee and the Company agree to enter into such amendments to this Agreement as shall be deemed by them necessary or desirable (i) to effectuate the purposes of this Master Trust and to comply with any Order, any changes in tax laws, regulations or rulings (whether published or private) of the Service and any state or local taxing authority, and any other changes in the laws applicable to the Company or the Plant; (ii) to take advantage of any favorable tax laws, regulations or rulings (whether published or private) of the Service including, but not limited to, establishing a qualified fund within the Master Trust; and (iii) for any other purpose not inconsistent with applicable laws, rules, Orders or regulations or for the purpose of curing any ambiguity or defective or inconsistent provision herein contained; provided, however, that no such amendment or supplement shall modify the rights, duties or immunities of the Trustee or the Company without their written consent. The Trustee and the Company may alter or amend this Agreement to the extent necessary or advisable to effectuate such purposes or to comply with such Order or changes. The Trustee shall have no duty to inquire or make an investigation as to whether any proposed amendment, modification or alteration is consistent with this Section 11.1.

ARTICLE XII. MISCELLANEOUS

12.1 Governing Jurisdiction. The Master Trust is a Maryland trust and all questions pertaining to its validity, construction and administration shall be determined in accordance with the laws of the State of Maryland to the extent not superseded by Federal law.

12.2 Headings. The article and section headings set forth in this Agreement and the Table of Contents are inserted for convenience of

reference only and shall be disregarded in the construction or interpretation of any of the provisions of this Agreement.

12.3 Particular Words. Any word contained in the text of this Agreement shall be read as the singular or plural and as the masculine, feminine or neuter as may be applicable or permissible in the particular context. Unless otherwise specifically stated, the word "person" shall be taken to mean and include an individual, partnership, association, trust, company or corporation.

12.4 Delivery of Notices Under Agreement. Any notice required by this Agreement to be given to the Company or the Trustee shall be deemed to have been properly given when mailed, postage prepaid, by registered or certified mail, to the person to be notified as set forth below:

If to the Company:

Baltimore Gas and Electric Company  
P. O. Box 1475  
Baltimore, Maryland 21203

Attention: Mr. Thomas F. Brady  
Vice President

If to the Trustee:

The First National Bank of Maryland  
P. O. Box 1596  
Baltimore, Maryland 21203

Attention: Mr. Raymond Kraft  
Assistant Vice President

The Company and the Trustee may change the addresses above by delivering notice thereof in writing to the other party.

12.5 Successors and Assigns. Subject to the provisions of Sections 2.9 and 9.6, this Agreement shall be binding upon and inure to the benefit of the Company, the Trustee and their respective successors, assigns, personal representatives, executors and heirs.

12.6 Severability of Provisions. If any provision of ~~the~~ this Agreement or its application to any person or entity or in any circumstances shall be invalid and unenforceable, the application of such provision to persons and in circumstances other than those as to which it is invalid or unenforceable and the other provisions of this Agreement shall not be affected by such invalidity or unenforceability.

12.7 Fiscal Year. The Master Trust shall operate on an accounting year which coincides with the calendar year, January 1 through and including December 31.

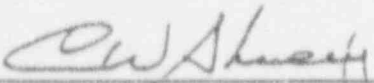
12.8 Authorization to Act on Behalf of the Company. The officers of the Company or their designees are authorized to act on behalf of the Company and to execute Certificate(s) substantially in the form of Exhibit A hereto and give directions to the Trustee on behalf of the Company. Until appropriate written evidence to the contrary is received by the Trustee, it shall be fully protected in relying upon and acting in accordance with any written notice, instruction, direction, certificate, resolution or other communication believed by it to be genuine and to be signed and/or certified by any officer of the Company or their designees, and the Trustee shall be under no duty to make any investigation or inquiry as to the truth or accuracy of any statement contained therein. Until notified in writing to the contrary, the Trustee shall have the right to assume that there has been no change in the authority of any officer of the Company or their designees.


12.9 Bank Holidays. Any action required to be taken by the Trustee on a Saturday, Sunday or legal bank holiday may be taken by the Trustee on the next business day without penalty to the Trustee.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their corporate seals to be herunto affixed and attested as of the day and year first above written.

ATTEST:

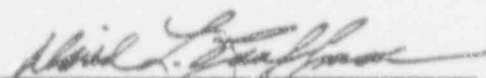
BALTIMORE GAS AND ELECTRIC COMPANY

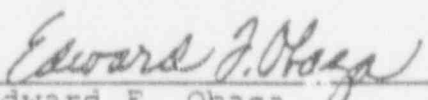
  
\_\_\_\_\_  
C. W. Shivers  
Secretary

By   
\_\_\_\_\_  
T. F. Brady  
Vice President

ATTEST:

THE FIRST NATIONAL BANK OF MARYLAND

  
\_\_\_\_\_  
David L. Kauffman  
Assistant Vice President

By   
\_\_\_\_\_  
Edward F. Obaza  
Vice President



STATE OF MARYLAND            )  
                                  ) ss:  
CITY OF BALTIMORE            )

On this 9<sup>th</sup> day of ~~June~~<sup>July</sup>, in the year 1990, before me personally came T. F. Brady to me known, who, being by me duly sworn, did depose and say that he is Vice President of Baltimore Gas and Electric Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation; and, that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

*Theresa Knajik*  
Notary Public  
My Commission Expires: 7/1/93

STATE OF MARYLAND            }  
CITY OF BALTIMORE         } ss:

On this 29 day of June, in the year 1990, before me personally came Edward F. Obaza to me known, who being by me duly sworn, did depose and say that he is a Vice President of The First National Bank of Maryland, a national banking association organized and existing under the laws of the United States, the organization described in and which executed the above instrument; that he knows the seal of said organization; that the seal affixed to said instrument is such organization seal; that it was so affixed by authority of the Board of Directors of said organization; and, that he signed his name thereto by like order.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



*Margaret J. Clark*  
Notary Public

Commission Expires: 3/1/92

CERTIFICATE NO.

The undersigned representative of Baltimore Gas and Electric Company (Company), a Maryland corporation being duly authorized and empowered to execute and deliver this Certificate, hereby certifies to the Trustee of the Baltimore Gas and Electric Company Master Decommissioning Trust (Master Trust), pursuant to Article VI of that certain Master Decommissioning Trust Agreement, dated \_\_\_\_\_ (Agreement), between the Trustee and the Company as follows:

(1) Exhibit 1 hereto sets forth the amounts either invoiced to, or incurred by, the Company that are due and owing to each payee listed (Payees) for:

(a) goods or services provided in connection with decommissioning the ISFSI, or

(b) administrative costs and other incidental expenses as provided in Section 6.2 of the Agreement.

as evidenced by the Invoice Schedule (with supporting exhibits) attached as Exhibit 1 hereto;

(2) all such amounts due and owing to the Payees constitute Decommissioning Costs or administrative expenses as described in Article VI of the Agreement;

(3) all conditions precedent to the making of this withdrawal and disbursement set forth in any agreement between such Payees and the Company, if applicable, have been fulfilled.

Accordingly, request is hereby made that the Trustee provide for the distribution of \$\_\_\_\_\_ from the Master Trust in order to permit

payment of such sum to be made to the Payees. You are further requested to disburse such sum, once withdrawn, directly to such Payees in the following manner: [DESCRIBE: CHECK, WIRE TRANSFER, ETC.] on or before \_\_\_\_\_, \_\_\_\_\_.

WITNESS my hand this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

BALTIMORE GAS AND ELECTRIC COMPANY

By \_\_\_\_\_  
Duly Authorized Representative