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Constellation Energy
Generation Group

February 8, 2006

U. S. Nuclear Regulatory Commission
Washington, DC 20555

ATTENTION: Document Control Desk

SUBJECT: **Calvert Cliffs Nuclear Power Plant**
Unit Nos. 1 & 2; Docket Nos. 50-317 & 50-318
Nine Mile Point Nuclear Station
Unit Nos. 1 & 2; Docket Nos. 50-220 & 50-410
R.E. Ginna Nuclear Power Plant
Docket No. 50-244

Annual Report: Status of Decommissioning Funding per 10 CFR 50.75(f)(1)

Pursuant to the requirements of 10 CFR 50.75(f)(1), this letter forwards the 2006 report on the status of decommissioning funding for Calvert Cliffs Nuclear Power Plant, the R.E. Ginna Nuclear Power Plant, and the Nine Mile Point Nuclear Station, which are owned by the Constellation Generation Group, LLC. The requirements for submitting such an annual report by March 31, 2006 are:

- 1) The current license expiration date for Nine Mile Point Nuclear Station, Unit 1, is within the next five years of the date of this letter; and,
- 2) The five nuclear units operated by the three licensees that are subsidiaries of Constellation Generation Group, LLC, are involved in a pending merger.

The information required by 10 CFR 50.75(f)(1) is provided in Attachment (1). Please note the required information applicable to Nine Mile Point Station Unit 2 includes summary statements provided by the remaining 18% co-owner, Long Island Power Authority. Constellation Generation Group, LLC, has not independently verified information provided by this co-owner.

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Should you have questions regarding the information in this submittal, please contact Mr. M. D. Flaherty at (410) 897-5087 or Mark.Flaherty@constellation.com.

Very truly yours,


John M. Heffley
Chief Nuclear Officer

JHM/EMT/jmp

Attachment: (1) 2006 Decommissioning Funding Status Report Year End 2005

cc:	P. D. Milano, NRC	Resident Inspector, NRC (NMPNS)
	T.G. Colburn, NRC	R. I. McLean, Maryland DNR
	S. J. Collins, NRC	J. P. Spath, NYSERDA
	Resident Inspector, NRC (Ginna)	P. Eddy, NYS Dept. of Public Services
	Resident Inspector, NRC (Calvert Cliffs)	

ATTACHMENT (1)

2006 DECOMMISSIONING FUNDING STATUS REPORT

YEAR END 2005

Calvert Cliffs Nuclear Power Plant
(Docket Nos. 50-317 & 50-318)

Nine Mile Point Nuclear Station
(Docket Nos. 50-220 & 50-410)

R. E. Ginna Nuclear Power Plant
(Docket No. 50-244)

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Calvert Cliffs Nuclear Power Plant
Unit Nos. 1 & 2
Docket Nos. 50-317 & 50-318

Table 1 – Calvert Cliffs Nuclear Power Plant

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)	Unit 2 (\$000's)	Total (\$000's)
1	The minimum decommissioning fund estimate ² as of December 31, 2005, pursuant to 10 CFR 50.75(b) and (c)	\$321,988 ¹	\$321,988 ¹	\$643,976 ¹
2	The amount accumulated as of December 31, 2005 in the external decommissioning trust pursuant to 10 CFR 50.75(b) and (c)	\$155,117	\$198,674	\$353,791
3	Schedule of the annual amounts remaining to be collected ³	\$3,443	\$4,865	\$8,308
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation	6%		
	Annual after-tax rate of earnings on decommissioning funds	7%		
	Frequency of contribution to the decommissioning trust	Quarterly		
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75(e)(1)(ii)(B)	Yes ⁴		
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report	None		
7	Any material changes to trust agreements	Yes ⁵		

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Table 1 Notes – Calvert Cliffs Nuclear Power Plant

- ¹ These values represent decommissioning costs anticipated to be incurred in removing the Calvert Cliffs units safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U. S. Department of Energy.
- ² Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 11 of NUREG-307.
- ³ Actual amounts being deposited into the trust were approved by the Maryland Public Service Commission in 1999 and the Internal Revenue Service in 2002. These collections will continue until June 2006 per a Settlement Agreement that included the Maryland Public Service Commission and Baltimore Gas and Electric Company (BGE). The amounts shown are the expected contributions through June 30, 2006.
- ⁴ Calvert Cliffs regulated affiliate, BGE, collects decommissioning costs from its electric customers for Calvert Cliffs through its delivery service charges in accordance with a restructuring order from the Maryland Public Service Commission. BGE transfers these funds to Calvert Cliffs pursuant to a Decommissioning Funds Collection Agent Agreement. Under the terms of this Agreement, Calvert Cliffs is obligated to deposit the funds into the decommissioning trusts. The NRC has previously reviewed the details of this contractual arrangement in its June 30, 2000 Safety Evaluation and concluded that, given the intercompany agreements that obligate the payments, Calvert Cliffs is providing decommissioning funding assurance in the form of external sinking funds tied to a non-bypassable charge pursuant to 10 CFR 50.75(e)(1)(ii)(B).
- ⁵ Since originally filed with the Commission in 1990, the trust agreement has been amended and restated. Those changes, as reflected in the trust agreement, are not material. Mellon Bank, N.A, was appointed Successor Trustee under the Trust Agreement, effective October 2005. The Trust Agreement complies with the requirements set forth in Section III, item (3), of NRC Order 7590-01-P; "Order Approving Transfer of License and Conforming Amendment" dated May 28, 2004. A copy of the restated trust agreement is available upon request.

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Nine Mile Point Nuclear Station
Unit Nos. 1 & 2
Docket Nos. 50-220 & 50-410

Table 2 – Nine Mile Point Nuclear Station ¹
(Constellation Energy Group Ownership Interest)

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)	Unit 2 (\$000's)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2005, pursuant to 10 CFR 50.75(b) and (c)	\$431,492 ²	\$395,907 ²	\$827,399 ²
2	The amount accumulated as of December 31, 2005 in the external decommissioning trust pursuant to 10 CFR 50.75(b) and (c)	\$318,106	\$201,217	\$519,323
3	Schedule of the annual amounts remaining to be collected	None	None	None
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation	6%		
	Annual after-tax rate of earnings on decommissioning funds	7%	7%	7%
	Frequency of contribution to the decommissioning trust ⁴	N/A		
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75(e)(1)(iii)(B)	None		
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report	None ⁴		
7	Any material changes to trust agreements	None ⁵		

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Table 2 Notes - Nine Mile Point Nuclear Station
(Constellation Energy Group Ownership Interest)

- ¹ On November 7, 2001, Constellation completed the acquisition of 100% of Nine Mile Point Unit 1 (NMP-1) and 82% of Nine Mile Point Unit 2 (NMP-2). The NMP-1 amounts provided in this table represent the 100% Constellation share of decommissioning responsibilities. The NMP-2 amounts provided in this table represent the 82% Constellation share of decommissioning responsibilities. Table 3 contains information regarding the remaining 18% share assumed by the Long Island Power Authority.
- ² These values represent the decommissioning costs, relative to the Constellation Energy Group interests, as anticipated to be incurred in removing the Nine Mile Point units safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy.
- ³ Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 11 of NUREG-1307.
- ⁴ At completion of the Nine Mile Point acquisition by Constellation, the selling parties transferred all of their decommissioning trust assets into the respective master decommissioning trusts for each of NMP-1 and NMP-2. A parental guarantee for additional funds was provided pursuant to 10 CFR 50.75(e)(1)(iii)(B), which, when combined with the transferred decommissioning trust funds for NMP-1 and NMP-2, met the total amounts required for NMP-1 and NMP-2, respectively, pursuant to 10 CFR 50.75(b) and (c). Additional contributions to the decommissioning trust fund are not required at this time.
- ⁵ As described above, the decommissioning trust assets were transferred into the "Nine Mile Point Nuclear Station, LLC Master Decommissioning Trust Agreement for Nine Mile Point Nuclear Station Unit One and Unit Two" ("Trust Agreement") and a parental guarantee was provided. The trustee of the Trust Agreement is Mellon Bank, N.A. The Trust Agreement also contains each of the decommissioning trust conditions required by the June 22, 2001, NRC Order (as amended) to provide reasonable assurance of decommissioning funding for unregulated non-electric utilities, including investment standards and limitations, disbursement limitations, and NRC notice requirements.

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Nine Mile Point Nuclear Station
Unit Nos. 1 & 2
Docket Nos. 50-220 & 50-410

Table 3 – Nine Mile Point Nuclear Station ¹
(Long Island Power Authority 18% NMP-2 Ownership Interest)

Note: All information in this table was provided by the NMP-2 minority owner, Long Island Power Authority. Constellation Energy has not independently verified or assessed the information provided by this co-owner.

	Information Required by 10 CFR 50.75(f)(1)	Unit 1 (\$000's)	Unit 2 (\$000's)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2005, pursuant to 10 CFR 50.75 (b) and (c)	N/A	\$86,906 ²	\$86,906 ²
2	The amount accumulated as of December 31, 2005 in the external decommissioning trust pursuant to 10 CFR 50.75 (b) and (c)	N/A	\$48,723	\$48,723
3	Schedule of the annual amounts remaining to be collected	N/A	\$2,202 (2006-2026)	\$2,202 (2006-2026)
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections			
	Annual decommissioning cost escalation	N/A	3.0%	3.0%
	Annual after-tax rate of earnings on decommissioning funds	N/A	6.0%	6.0%
	Frequency of contribution to the decommissioning trust	Annually		
5	Any contracts upon which Long Island Power Authority is relying pursuant to 10 CFR 50.75 (e)(1)(iii)(B)	None		
6	Any modifications to the Long Island Power Authority's current method of providing financial assurance since the last submitted report	None		
7	Any material changes to trust agreements	None		

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Table 3 Notes – Nine Mile Point Nuclear Station
(Long Island Power Authority 18% NMP-2 Ownership Interest)

- ¹ On November 7, 2001, Constellation Energy Group completed the acquisition of 100% of Nine Mile Point, Unit 1 (NMP-1) and 82% of Nine Mile Point Unit 2 (NMP-2). The NMP-2 amounts provided in this table represent the remaining 18% Long Island Power Authority share of decommissioning responsibilities. Constellation has not independently verified this information as provided by the co-owner.
- ² These values represent the decommissioning costs, relative to the Long Island Power Authority interests, as anticipated to be incurred in removing NMP-2 safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U.S. Department of Energy. Constellation has not independently verified this information as provided by the co-owner.
- ³ Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 11 of NUREG-1307.

ATTACHMENT (1)
2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

R. E. Ginna Nuclear Power Plant
Unit No. 1
Docket No. 50-244

Table 4 – R. E. Ginna Nuclear Power Plant ¹

	Information Required by 10 CFR 50.75(f)(1)	Total (\$000's)
1	The minimum decommissioning fund estimate ³ as of December 31, 2005, pursuant to 10 CFR 50.75 (b) and (c)	\$298,005 ²
2	The amount accumulated as of December 31, 2005 in the external decommissioning trust pursuant to 10 CFR 50.75 (b) and (c)	\$222,542
3	Schedule of the annual amounts remaining to be collected	None ⁴
4	Assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections	
	Annual decommissioning cost escalation	6%
	Annual after-tax rate of earnings on decommissioning funds	7%
	Frequency of contribution to the decommissioning trust	N/A
5	Any contracts upon which Constellation is relying pursuant to 10 CFR 50.75 (e)(1)(ii)(B)	None
6	Any modifications to Constellation's current method of providing financial assurance since the last submitted report	None ⁴
7	Any material changes to trust agreements	None ⁵

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2006 DECOMMISSIONING FUNDING STATUS REPORT
YEAR END 2005

Table 4 Notes – R. E. Ginna Nuclear Power Plant

- ¹ On June 10, 2004, Constellation completed acquisition of 100% of the R. E. Ginna plant and associated assets. The amounts provided in this table represent that 100% Constellation share of decommissioning responsibilities.
- ² Values based on application of the generic minimum funding calculation specified in 10 CFR 50.75(c)(1), as adjusted in accordance with paragraph 50.75(c)(2) and Revision 11 of NUREG-1307.
- ³ These values represent decommissioning costs anticipated to be incurred in removing the Ginna unit safely from service and reducing residual radioactivity to levels that permit release of the property for unrestricted use and termination of the license. The cost of dismantling non-radioactive systems and structures is not included in this estimate, nor is the cost of managing and storing spent fuel on the site until transfer to the U. S. Department of Energy.
- ⁴ At completion of the Ginna acquisition by Constellation, the selling party transferred the decommissioning trust assets into a master decommissioning trust. A parental guarantee for additional funds was not required because the assets exceed the amounts required pursuant to 10 CFR 50.75(b) and (c). Additional contributions to the decommissioning trust fund are not required at this time.
- ⁵ The trustee of the Trust Agreement is Mellon Bank, N.A. The Trust Agreement complies with the requirements set forth in Section III, item (3), of NRC Order 7590-01-P; "Order Approving Transfer of License and Conforming Amendment" dated May 28, 2004.