

April 11, 2014

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

Calvert Cliffs Nuclear Power Plant, Units 1 and 2
Renewed Facility Operating License Nos. DPR-53 and DPR-69
NRC Docket Nos. 50-317 and 50-318

Calvert Cliffs Independent Spent Fuel Storage Installation
Materials License No. SNM-2505
Docket No. 72-8

Nine Mile Point Nuclear Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-63 and NPF-69
NRC Docket Nos. 50-220 and 50-410

R. E. Ginna Nuclear Power Plant
Renewed Facility Operating License No. DPR-18
NRC Docket No. 50-244

Subject: Submittal of Nuclear Operating Services Agreement Following License
Transfers to Exelon Generation Company, LLC

- References:
- (1) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating Licenses, Independent Spent Fuel Storage Installation License, and Conforming Amendments," dated March 24, 2014 (Calvert Cliffs Nuclear Power Plant)
 - (2) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating Licenses and Conforming License Amendments," dated March 25, 2014 (Nine Mile Point Nuclear Station)
 - (3) NRC letter, Nadiyah S. Morgan (USNRC) to Mary G. Korsnick & Bryan P. Wright (CENG) "Order Approving Direct Transfer of Renewed Operating License and Conforming License Amendment," dated March 25, 2014 (Ginna Nuclear Power Plant)

In accordance with the Orders issued in the referenced letters, Exelon Generation Company, LLC (Exelon) submits the Nuclear Operating Services Agreement following the direct license transfer of operating authority for the facilities listed in the referenced Orders. The license transfers occurred on April 1, 2014.

Condition 4 of the referenced Orders provides as follows:

Within 14 days of the license transfers, Exelon Generation shall submit to the NRC the Nuclear Operating Services Agreement reflecting the terms set forth in the application dated August 6, 2013. Section 7.1 of the Nuclear Operating Services Agreement may not be modified in any material respect related to financial arrangements that would adversely impact the ability of the licensee to fund safety-related activities authorized by the license without the prior written consent of the Director of the Office of Nuclear Reactor Regulation.

Accordingly, the Nuclear Operating Services Agreement reflecting the terms set forth in the application dated August 6, 2013, is being submitted within 14 days of the license transfers as required by the referenced Orders.

There are no regulatory commitments contained in this letter.

If you have any questions regarding this letter, please contact David P. Helker at (610) 765-5525.

Respectfully,



James Barstow
Director – Licensing & Regulatory Affairs
Exelon Generation Company, LLC

Attachment – Nuclear Operating Services Agreement

cc: USNRC Director of Nuclear Reactor Regulation
USNRC Regional Administrator, Region I
Nadiyah S. Morgan NRC Project Manager, NRR - (CENG)
NRC Senior Resident Inspector - Calvert Cliffs Nuclear Power Plant
NRC Senior Resident Inspector - Nine Mile Point Nuclear Station
NRC Senior Resident Inspector - Ginna Nuclear Power Plant
NRC Project Manager, NRR - Calvert Cliffs Nuclear Power Plant
NRC Project Manager, NRR - Nine Mile Point Nuclear Station
NRC Project Manager, NRR - Ginna Nuclear Power Plant
S. Gray, Maryland DNR

Attachment

Nuclear Operating Services Agreement

NUCLEAR OPERATING SERVICES AGREEMENT

This Nuclear Operating Services Agreement (this “**Agreement**” or “**NOSA**”) dated as of April 1, 2014 (the “**Commencement Date**”) is entered into by and among Exelon Generation Company, LLC, a Pennsylvania limited liability company (“**Operator**”), Constellation Energy Nuclear Group, LLC, a Maryland limited liability company (“**CENG**”), Calvert Cliffs Nuclear Power Plant, LLC, a Maryland limited liability company, Nine Mile Point Nuclear Station, LLC, a Delaware limited liability company, and R. E. Ginna Nuclear Power Plant, LLC, a Maryland limited liability company (together with CENG, “**Owners**”). Operator and Owners are referred to individually herein as a “**Party**” and collectively herein as the “**Parties**.” Any terms not herein defined shall have the meanings given to them in the Operating Agreement.

RECITALS

WHEREAS, Owners desire to engage the services of a qualified operator to provide corporate, operational and managerial support services and other services for the Facilities (as defined herein);

WHEREAS, Operator has the requisite experience and expertise in providing corporate, operational and managerial support services and possesses the resources and capabilities to provide such services for CENG and the Facilities; and

WHEREAS, Owners desire to engage Operator to perform the Services (as defined herein) and Operator desires to perform such Services as provided herein;

NOW THEREFORE, in consideration for the premises and the representations, warranties, and covenants contained herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties, intending to be legally bound hereby, agree as follows:

**ARTICLE I
DEFINITIONS**

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

“**Act**” means the Atomic Energy Act of 1954, as amended.

“**Affiliate**” means, with respect to any Person, any other Person directly or indirectly Controlled by, Controlling or under common Control with such Person. For purposes of this Agreement, the Owners shall not be considered Affiliates of Operator or its other Affiliates.

“**Agreement**” has the meaning set forth in the preamble.

“**Allocated Costs**” means the costs incurred by Operator associated with providing the Services (other than Direct Costs) allocated to each nuclear facility in the Operator’s Fleet in accordance with Section 7.1(b).

“Applicable Law” means any federal, state or local statute, law, rule, regulation, code, ordinance, judgment, decree or writ of any Governmental Authority, and any official interpretations thereof, regulating, relating to or imposing liability or standards of conduct concerning Owners, Operator, the Sites, the Facilities or the performance of the Services.

“Board” means the Board of Directors of CENG.

“CFAM” means Corporate Functional Area Manager provided by Operator.

“Commencement Date” has the meaning set forth in the Preamble.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of securities, by contract or otherwise. The terms **“Controlled”** and **“Controlling”** shall have correlative meanings.

“Decommission” and **“Decommissioning”** mean (a) the dismantlement and removal of the Facilities and any reduction or removal of radioactivity at, on, under or in the Site to a level that permits the release of all or any specified portion of the Site for unrestricted use, as specified in 10 CFR 20.1402); (b) all other activities necessary for the retirement, dismantlement, decontamination and/or storage of the Facilities and Spent Nuclear Fuel and other materials to comply with all Applicable Law, including the applicable requirements of the Act and the NRC rules, regulations, orders and pronouncements thereunder; and (c) any other environmental remediation and Site restoration of or relating to the Site or the Facilities as required by Applicable Law.

“Direct Cost” has the meaning set forth in Section 7.1(a).

“Exelon Nuclear Management Model” means Operator’s proprietary nuclear management model and related management systems, including software programs, policies, processes and procedures relative to the management, operation and maintenance of Operator’s nuclear generating facilities, as updated by Operator from time to time.

“Facility” means each of (i) Calvert Cliffs Nuclear Power Plant, Unit Nos. 1 and 2 (Operating Licenses DPR-53 and DPR-69); (ii) Calvert Cliffs Independent Spent Fuel Storage Installation Facility (Materials License No. SNM-2505); (iii) Nine Mile Point Nuclear Station, Unit Nos. 1 and 2 (Operating Licenses DPR 63 and NPF 69); and (iv) R. E. Ginna Nuclear Power Plant (Operating License DPR 18).

“Fiscal Year” means the year ending on December 31 of each year.

“Good Utility Practice” means at any time those practices, methods, techniques and standards in effect at the time of performance of the Services hereunder that are commonly used in the United States in prudent management and maintenance of equipment of, and the provision of operational support services for, nuclear generating stations. Without limiting the foregoing, “Good Utility Practice” is also intended to be the practices, methods, techniques and standards utilized by Operator in operational and managerial support services for its owned, affiliated, managed or operated nuclear generating facilities located in the United States, and as generally

accepted in the industry with respect to the management and maintenance of, and the provision of services for, nuclear generating stations located in the United States and the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected at such time from a skilled and experienced provider of services similar to the Services.

“Governmental Approval” means any authorization, consent, approval, license, ruling, waiver, permit, certification, exemption, filing, declaration or registration by or with any Governmental Authority having jurisdiction over any of the Sites, the Facilities, the Services or the Parties.

“Governmental Authority” means all federal, state and local governments and all agencies, authorities, departments, instrumentalities, courts, or other subdivisions of each having executive, legislative, judicial, regulatory or administrative jurisdiction over any of the Sites, the Facilities, the Services or the Parties.

“INPO Allocation Method” means the method for allocating costs incurred by Operator in respect of Operator’s Fleet to each nuclear facility in Operator’s Fleet in the same manner as the Institute of Nuclear Power Operations allocates its fees, whereby each of the Sites with an operating reactor is allocated three (3) points and each operating reactor in Operator’s Fleet is allocated one (1) point (*e.g.*, four (4) points for single units, five (5) points for dual units). For each billing period, the Allocated Costs charged to each Facility will be equal to (A) the aggregate amount of Allocated Costs incurred by Operator during such billing period; multiplied by (B) a fraction, the numerator of which is the INPO points attributed to such Facility, and the denominator of which is the total number of INPO points attributed to all facilities in Operator’s Fleet.

“IP” means any information and any other intellectual property of any type whatsoever, in any tangible or intangible form or medium, and all rights associated therewith in any jurisdiction, including any proprietary management processes of Operator and its Affiliates, and the Exelon Nuclear Management Model.

“NRC” means the United States Nuclear Regulatory Commission and any successor agency established in the United States for the regulation of civilian nuclear power.

“Operating Licenses” means the Operating Licenses and Materials License for the Facilities issued to Owners pursuant to the regulations of the NRC.

“Operating Agreement” means the Fourth Amended and Restated Operating Agreement of CENG, dated as of the date hereof.

“Operator” has the meaning set forth in the preamble.

“Operator Personnel” means the personnel from Operator’s or any of its Subcontractors’ organizations, agents, counsel, and advisors performing Services under this Agreement.

“Operator’s Fleet” means the Facilities taken together with each other nuclear facility for which Operator is the licensed operator.

“Owner Contracts” means any other contracts to which the Owners are a party for (1) procuring engineering or materials, tools, supplies or equipment necessary for Capital Expenditures or repairs of the Facilities, (2) construction of any capital expenditures with respect to the Facilities, (3) the repair of the Facilities, (4) the purchasing or leasing of equipment with respect to the Facilities, (5) utilities necessary for the operation of the Facilities or (6) any other material services; *provided* that “Owner Contracts” do not include this Agreement, the Subcontracts, or any of Owners’ commercial agreements not directly related to operations (such as financing and power purchase agreements).

“Party” or **“Parties”** has the meaning set forth in the preamble.

“Person” means an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, or any federal, state, local or other governmental entity, body or authority.

“Reimbursable Costs” has the meaning set forth in Section 7.2.

“Services” has the meaning set forth in Section 3.1.

“Site” means the real property on which each of the Facilities is located including surrounding land owned by the Owners or their Affiliates.

“Subcontract” means any agreement by Operator with a Subcontractor for the performance of any portion of the Services.

“Subcontractor” means any vendor, supplier, manufacturer, material man, operator or subcontractor (other than Operator or its affiliates) that is contracted directly with Operator to perform any part of the Services or providing other services or supplies in connection with the Services.

“Taxes” means all fees, taxes (including sales taxes, use taxes, stamp taxes, value-added taxes, ad valorem taxes and property taxes (personal and real, tangible and intangible)), levies, assessments, customs duties, withholdings and other charges and impositions of any nature, other than taxes based on net income or net worth, plus all related interest, penalties, fines and additions to tax, now or hereafter imposed by any Governmental Authority or other taxing authority.

“Term” has the meaning set forth in Section 2.1.

“Termination Date” has the meaning set forth in Section 10.3(a).

“Transition Period” has the meaning set forth in Section 10.4.

ARTICLE II

TERM; COMMENCEMENT OF SERVICES

2.1 Term. The term of this Agreement (the “**Term**”) shall begin on the Commencement Date and shall continue through Decommissioning unless terminated earlier as provided herein.

ARTICLE III

OPERATOR RESPONSIBILITIES; SCOPE OF RELATIONSHIP

3.1 Services. Subject to the terms of this Agreement and the Operating Agreement, Operator shall (a) provide corporate and administrative services necessary for the operation of CENG to operate its business and that of its Subsidiaries, in accordance with historic practice and with Applicable Law and contractual obligations, including the obligations of CENG under the Operating Agreement, and (b) manage, operate, and maintain the Facilities in accordance with the Operating Licenses and Applicable Law, and on behalf of Owners on a basis consistent in all material respects with Good Utility Practices and the Exelon Nuclear Management Model (together, the “**Services**”).

3.2 Contract Management Services. Without limiting the foregoing, Operator will assist Owners with the implementation and management of any Owner Contracts. Notwithstanding the foregoing, Owners shall remain solely responsible and liable for the Owner Contracts. Operator may, subject to the terms of the Operating Agreement, from time to time act as Owners’ agent on Owners’ behalf with respect to managing and overseeing the Owner Contracts.

3.3 Relationship of the Parties. In performing the Services, Operator shall be an independent contractor of Owners. To the extent necessary to comply with regulatory requirements, CENG governance documents and existing corporate law, Operator personnel conducting daily management activities will function as personnel of the Owners with dual reporting responsibility to the Board and the senior officers of Operator.

3.4 Subcontractors. Operator may contract a Subcontractor to perform any part or parts of the Services. Notwithstanding the foregoing, Operator shall at all times remain solely responsible for the quality, timeliness and professionalism of all Subcontractors and the performance of the Services. Operator shall be fully responsible for the acts and omissions of its Subcontractors. For the avoidance of doubt, Operator shall remain solely responsible and liable for any Subcontractor contracts.

3.5 Reports. Operator shall provide Owners with standard operational and financial reports in accordance with its Exelon Nuclear Management Model, which shall substantially include the content described in Exhibit A.

3.6 Employees. Services will be performed by Operator employees, Owner employees or both. Operator may, subject to the terms hereof, elect to transfer employees from employment by Owners to employment by Operator, second Operator employees to provide Services to Owners or transfer employees from employment by Operator to employment by Owners (*provided* that if Operator transfers Operator employees to employment by Owners,

Operator will indemnify Owners for liabilities arising solely from such employment, other than Allocated Costs or Direct Costs chargeable under the terms of this Agreement). Operator may elect to assign employees of Owners on a short-term basis to provide services to operations of Operator other than the Facilities or CENG, so long as Owners are compensated, in a manner consistent with the allocation of Direct Costs in this Agreement, for the use of those employees and Operator indemnifies Owners solely for any liability arising from the performance of the Owners' employees at a location other than the Facilities.

ARTICLE IV OWNERS' RESPONSIBILITIES

4.1 Turnover of Facilities. On the Commencement Date, Owners shall transition to Operator day-to-day management activities of the Facilities, *provided* that Owners and Operator have (i) all approvals required by Applicable Law for Operator to perform the Services and (ii) all equipment, materials, spare parts and consumables necessary for Operator to provide the Services. Within a reasonable period of time after the Commencement Date, Owners shall provide Operator with access to (a) all original equipment manufacturer instructions and manuals relating to the equipment at the Facilities, (b) all specifications, analyses, operating manuals and instructions, drawings (including as-built drawings), (c) all information necessary to comply with Owners' quality assurance plan and (d) all records related to the construction of the Facilities necessary for Operator to perform the Services.

4.2 Liabilities. Owners shall be responsible for the performance or discharge of any liabilities relating to the Facilities arising prior to the Commencement Date, except for those liabilities for which Operator is expressly liable under the terms of this Agreement. From and after the Commencement Date, each Party shall be responsible for the performance or discharge of their respective liabilities relating to the Facilities.

4.3 Cooperation. As necessary, Owners shall furnish to Operator the information or assistance as may be required for Operator to comply with the terms of this Agreement and for the expeditious and orderly performance of the Services by Operator.

4.4 Access to the Facilities and the Site. Subject to Owners' security and access rules and regulations, Owners shall, to the extent not already in Operator's possession, (a) provide access to the Facilities and the Site to Operator as required for performance of the Services and (b) provide Operator with access to copies of all licenses, easements or other agreements Owners have entered into regarding access to the Facilities and the Sites that affect Operator or the Services. Owners shall coordinate with Operator regarding initial entry onto the Site and into the Facilities, or any part thereof, shall ensure that Operator has the full and uninterrupted benefit of all such licenses, easements or other agreements and shall ensure that such licenses, easements or other agreements do not adversely affect Operator's performance of the Services.

4.5 Owner Information. Owners shall act in good faith to assure that all information and materials given by Owners to Operator are accurate when given in all material respects.

4.6 Joint Contracting Efforts. Subject to compliance with Applicable Law, the Parties shall use their reasonable efforts to obtain favorable pricing terms applicable to significant contracts for similar services, materials, and equipment relating to the Facilities, including, without limitation, similar contracts provided between Operator and its Affiliates. Operator and Owner agree that Operator shall act as agent of Owner to enter into any new Owner Contracts.

4.7 Appointment as Agent. Owners do hereby grant to Operator, as agent for Owners, individually or collectively, the power and authority to exercise in accordance with applicable laws, and subject to the restrictions of the Operating Agreement, the rights of Owners under, and to execute, modify, amend or terminate, any contracts, including without limitation, leases easements, agreements, purchase orders, licenses, permits and privileges relating to the operation and maintenance of, and making capital improvements to, the Facilities. Nonetheless, unless otherwise agreed in writing, Owners shall remain solely responsible for each of the Owner Contracts.

ARTICLE V OPERATOR'S RESPONSIBILITIES

5.1 Governmental Approvals. Operator shall support and assist Owners as may be reasonably required in order for Owners to obtain and maintain all Governmental Approvals (a) required by Applicable Law to operate the Facilities and (b) required by Applicable Law for Operator to perform the Services, including, without limitation, the Operating Licenses and those related to nuclear safety.

5.2 Operating Licenses. Operator will hold and maintain the Operating Licenses required to operate the Facilities for the duration of the Term and will take all reasonable actions to ensure that the Operating Licenses are transferred to Operator upon the Commencement Date.

5.3 Assistance to Owners. Operator shall furnish to Owners the information or assistance as may be reasonably necessary in order to enable Owners to comply with their obligations under Article 4 and for the expeditious and orderly operation of the Facilities.

5.4 Procurement Assistance. Subject to compliance with Applicable Law, Operator shall use its best efforts to obtain favorable pricing terms applicable to significant contracts for similar services, materials, and equipment relating to the Facilities, including, without limitation, similar contracts provided between Operator and its Affiliates.

5.5 Performance Standards. Operator shall perform the Services: (a) in compliance with the terms of this Agreement; (b) in compliance with the standards and objectives of the Exelon Nuclear Management Model as adapted to the Facilities, as the same may change from time to time; and (c) in a good and workmanlike manner in accordance with the Operating Licenses and Applicable Law, and consistent with Good Utility Practice. Operator shall perform its obligations, and shall allocate resources, under this agreement on a non-discriminatory basis as between the operations of the Owners, on the one hand, and those of Operator and its Affiliates, on the other hand, and in a manner consistent with the Operating Licenses, Applicable Law, and consistent with Good Utility Practice.

5.6 Taxes and Benefits. During the Term of this Agreement Operator shall be solely responsible for providing or causing to be provided to each member of Operator Personnel his or her compensation and benefits, and shall further be solely responsible to issue or cause to issue IRS W-2 forms for Operator Personnel and for all taxes, workers' compensation, social security, unemployment, and other contributions for benefits measured by salary payable to Operator Personnel.

5.7 Operator Employees. Except as provided in Section 7.1, Operator, and not CENG, shall be solely responsible for (i) all compensation, benefits and other employer obligations in respect of employees of Operator or its Affiliates providing Services under this Agreement; *provided* that for any employees transferred from Owners to Operator, the Owners shall remain liable for any and all compensation, benefits and other employer obligations arising from the time before the transfer, (ii) training and oversight of employees of Operator or its Affiliates providing Services under this Agreement and (iii) subject to the terms hereof, all employment decisions with respect to employees of Operator or its Affiliates providing Services under this Agreement.

ARTICLE VI BUDGET

6.1 Annual Budget. Operator shall prepare and propose an Annual Budget and a Business Plan in accordance with Section 7.4(a) of the Operating Agreement for consideration by the Board as outlined therein.

6.2 Provisional Budget. If a proposed Annual Budget is not adopted by the Board prior to the end of the third quarter of the Fiscal Year, then the Provisional Budget, as described in Section 7.4(b) and Section 7.4(c) of the Operating Agreement, shall become effective.

ARTICLE VII COMPENSATION AND PAYMENT

7.1 Compensation. From and after the Commencement Date and continuing throughout the Term, Operator shall invoice Owners for the following costs incurred by Operator, its Subcontractors, or its Affiliates in performance of the Services:

(a) Direct Costs. Operator will invoice the Owners for the direct costs of Operator of providing any Service that would not constitute Allocated Cost pursuant to Section 7.1(b), including without limitation: (i) the costs of the Operator personnel performing the Services at the Facilities, including travel and relocation expenses where applicable; (ii) any costs incurred by Operator associated with improvements to existing systems, integration into Operator systems, and software programs required to implement the Exelon Nuclear Management Model and "CFAM" philosophy at each Facility; and (iii) all costs incurred by Operator (including the cost of any Subcontractors) related to materials, services, equipment, Taxes (other than those imposed in respect of income or revenues of Operator) and other expenditures (as an agent of the Owner) that are required in the good faith judgment of the Operator to operate the Facilities in accordance with the Operating Agreement and Good Utility Practice, in each case as described in Exhibit B (such costs collectively, the "**Direct Costs**").

The Direct Costs will be invoiced on a basis consistent with Operator's similar costs as invoiced to other nuclear facilities in Operator's Fleet (as such costs are in effect from time to time) and subject to the then-current Annual Budget and Business Plan.

(b) Allocated Costs. Commencing on the date hereof, Owners shall pay Operator a monthly charge for Allocated Costs based on the INPO Allocation Method, calculated as if the Facilities were included in Operator's Fleet as described in Exhibit B; *provided* that such allocation is non-discriminatory and on a basis consistent with Operator's allocation of similar costs as invoiced to other nuclear facilities in Operator's Fleet (as such costs are in effect from time to time) and subject to the then-current Annual Budget and Business Plan. For avoidance of doubt, certain personnel-related reimbursements may be classified as Allocated Costs, including the travel and relocation expenses of certain personnel. For the avoidance of doubt, in no event shall Allocated Costs include any item to the extent such item is also invoiced as a Direct Cost.

7.2 Invoices. By the 10th day of each month, Operator shall submit a detailed line-item description invoice to Owners providing appropriate supporting detail for all Allocated Costs and the Direct Costs (together the "**Reimbursable Costs**") incurred during the preceding month.

7.3 Payment. All Reimbursable Costs submitted on each invoice shall be paid via wire transfer in immediately available funds within 24 hours after the date of Owners' receipt of the invoice.

ARTICLE VIII TAXES

8.1 Taxes. Each Party shall be responsible for all Taxes to which it is subject, which Taxes arise out of or are in any way connected with this Agreement. If, under Applicable Law, Operator is required to collect any such Taxes from Owners, Operator shall invoice Owners for such Taxes and Owners shall pay the same to Operator or provide Operator with a valid exemption certificate or other documentation acceptable under Applicable Law to substantiate Owners' exemption from such Taxes.

ARTICLE IX INSURANCE

9.1 Operator Insurance. Operator shall procure and maintain insurance coverage during the Term in the type and amount set forth in Section 13.17 and Section 13.18 of the Operating Agreement and in accordance with Good Utility Practice.

ARTICLE X TERMINATION

10.1 Owner Termination. At any time after Operator (together with its Affiliates) ceases to hold, directly or indirectly, at least a 50% equity interest in CENG, CENG may terminate this Agreement for convenience by providing one year's prior written notice to Operator, subject to receipt of any required regulatory approvals, including the transfer of the

Operating Licenses to a successor Operator; *provided* that Owners shall pay Operator on or before the effective date of termination Reimbursable Costs for Services performed prior to the Termination Date (as defined below).

10.2 Operator Termination. At any time after Operator (together with its Affiliates) ceases to hold, directly or indirectly, at least a 50% equity interest in CENG, Operator may terminate this Agreement for convenience by providing one year's prior written notice to Owners, subject to receipt of any required regulatory approvals, including the transfer of the Operating Licenses to a successor Operator; *provided* that Owners shall pay Operator on or before the effective date of termination Reimbursable Costs for Services performed prior to the Termination Date.

10.3 Actions upon Termination. Prior to the effective date of any termination under this Article 10, the Parties shall work in good faith to ensure a satisfactory transfer of responsibility in process and cooperate to obtain all Governmental Approvals (if any and to the extent allowed) required for such transfer. Upon a termination in accordance with Section 10.1 or Section 10.2, Operator shall:

(a) discontinue performance of the Services on the date specified in the notice of termination or suspension, which for the avoidance of doubt shall be one year from the notice date, unless otherwise agreed by the parties (the "Termination Date"),

(b) place no further orders or enter into any Subcontracts for items or Services unless required for standby, demobilization, remobilization or as otherwise provided in this Article 10;

(c) subject to the terms of this Agreement, cooperate with Owners in the transfer to Owners of items or information and disposition of the Services in progress;

(d) inventory and turn over to Owners all equipment and materials purchased by Operator and reimbursed by Owners in accordance with the terms of this Agreement and any other equipment or other items provided by Owners for performance of the terminated or suspended Services; and

(e) cooperate with Owners and their agents and representatives in the turnover of the Services and transition of the employees, as appropriate, to Owners (or their designated successor Operator in the event of termination) who shall provide operational support services for the Facilities.

(f) From the receipt of the termination notice up to and including the Termination Date, Operator shall continue to perform the Services hereunder in accordance with Good Utility Practices and in accordance with the terms of this Agreement; *provided* that Operator shall be entitled to, and Owners shall pay to Operator, all compensation in accordance with this Agreement (including Reimbursable Costs payable under the terms of this Agreement and any additional reasonable out-of-pocket costs incurred in providing transition assistance to Owners or their successor Operator during such time).

10.4 Post-Termination Transition Period. Owners' right to use the IP will automatically cease at the Termination Date; *provided* that Owner will be entitled to continue to use the IP on a transitional period for a period of 12 months following the Termination Date (such period, the "Transition Period") to the extent necessary to provide an orderly transition off of Operator's systems and software platforms. During the Transition Period, Operator shall cooperate and provide reasonable assistance to Owners in effecting such IP transition; *provided* that Owner reimburses the Operator for Operator's actual cost of providing such transition services and permitting continued use of IP, determined in the same manner that costs are allocated and charged pursuant to Article VII of this Agreement.

ARTICLE XI RECORDS

11.1 Records. In accordance with its standard corporate practices, Operator will at all times operate a system of accounting and maintain complete and accurate records and supporting documentation in relation to the performance of its obligations under this Agreement, *provided* that documentation related to the provision and performance of the Services shall be maintained for the greater of five years or as required by Applicable Law. Operator shall collaborate with and assist Owners to operate a system of accounting and maintain complete and accurate records in relation to the operation of the Facilities, including Services rendered by Operator (the "**Records**"). The intent is for the Records to be in accordance with Good Utility Practice to ensure that the Records will be at least sufficient to enable Owners and/or their authorized representatives to conduct thorough operational, technical, and regulatory audits related to the Facilities. The Records will be maintained for the greater of (a) Operator's document retention program requirements or (b) as is required by Applicable Laws.

11.2 Audit. CENG shall have the reasonable right to conduct, or have conducted by an independent auditing firm, an audit and review of Operator's books and records but only to the extent that such books and records relate to costs charged by Operator to the Owners or other matters arising under this Agreement, at times reasonably requested by CENG during the term of this Agreement and for one year after the termination of Operator's obligations under this Agreement. In furtherance of this audit right, upon reasonable written notice, Operator shall make available to CENG or its independent auditing firm all relevant accounting and financial books and records and make commercially reasonable efforts to obtain from any of its subcontractors or suppliers such supporting documentation as may be requested by CENG but only to the extent that such accounting and financial books, records and documentation relate to costs charged by Operator to the Owners or other matters arising under this Agreement.

11.3 Information Rights. Operator will (i) use commercially reasonable efforts to notify Owners and EDF Inc. as promptly as reasonably possible of any material events relating to public safety, security, or events of a similar nature of interest to the general public that occur at the Facilities and (ii) use commercially reasonable efforts to periodically inform Owners and EDF Inc. of CENG's external communications strategy and any material changes thereto; *provided* that any delay or failure of Operator to notify Owners and EDF Inc. under subsections (i) and (ii) above shall not create any liability on behalf of Operator.

ARTICLE XII MISCELLANEOUS

12.1 Notices. Any notice pertaining to this Agreement shall be in writing and sent via facsimile transmittal, registered or certified mail (postage prepaid), hand delivery or by commercial overnight courier, to the other Party, at its respective address designated in this Agreement as set forth below. Each Party shall have the right to change the contact information set forth herein by sending a similar notice to the other Party in like manner. Notices, demands, offers or other written instruments shall be deemed to have been duly given on the date actually received by the intended recipient.

If to Operator:

Exelon Generation Company, LLC
200 Exelon Way
Kennett Square, Pennsylvania 19348
Attention: J. Bradley Fewell, Vice President and Deputy General Counsel
Phone: 610-765-5706
Email: bradley.fewell@exeloncorp.com

If to Owners:

Constellation Energy Nuclear Group, LLC
100 Constellation Way, Suite 1100C
Baltimore, MD 21202
Attention Chief Nuclear Officer
Phone: 410-470-5133
Fax: 443-213-6739

With a copy to:

EDF Inc.
5404 Wisconsin Ave., Suite 400
Chevy Chase, MD 20815
Attention: Chief Executive Officer
Phone: (240) 744-8000
Fax: (240) 744-8049

EDF, S.A.
30 avenue de Wagram
Paris 75008
France
Phone: +33 1 40 42 85 01
Fax: +33 1 40 42 85 03
Attention: Secrétaire Général

12.2 Complete Agreement. This Agreement sets forth the entire understanding of the Parties and supersedes any and all prior agreements, arrangements, or understandings relating to the subject matter hereof.

12.3 Construction of Agreement. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement.

12.4 Amendments. The terms of this Agreement shall be modified only by a written document signed by an authorized representative of each Party, which authorizes a change in this Agreement. No purported oral modification, waiver, or rescission of this Agreement by an employee or agent of any Party shall operate as a modification, waiver, or rescission of any of the provisions of this Agreement. No course of prior dealing, usage of trade, and course of performance shall be used to modify, supplement, or explain any terms of this Agreement.

12.5 No Third Party Beneficiaries. A person who is not a Party to this Agreement may not enforce any of its terms and the provisions of this Agreement are intended for the sole benefit of Owners and Operator and there are no third party beneficiaries hereof, other than their permitted successors and assigns pursuant to the relevant provisions hereof, except that EDF Inc. as a Member of CENG (or its successor as Member of CENG) may enforce the rights of CENG under this Agreement in law or equity in respect of any breach of this Agreement by Operator and may exercise, on behalf of CENG, the audit rights set forth in Section 11.2.

12.6 Governing Law; Interpretation; Severability. This Agreement shall be interpreted, governed and construed in accordance with the laws of State of Maryland, and excluding any conflict of laws rule or principle that might refer the governance or the construction of this Agreement to the law of another jurisdiction. The provisions of this Agreement shall be interpreted where possible in a manner to sustain their legality and enforceability. The unenforceability of any provision of this Agreement in a specific situation shall not affect the enforceability of that provision in another situation or the remaining provisions of this Agreement. Subject to the terms of this Agreement, the Parties shall have all rights and remedies at law or in equity.

12.7 Assignment. No Party may assign its right, title, and interest in this Agreement to any other Person without the prior written consent of the other Parties; *provided* that Operator may assign or delegate all or a portion of its right, title and interest in this Agreement to an Affiliate without Owners' consent; *provided, however*, that no such assignment shall in any respect relieve Operator of its obligations under this Agreement.

12.8 Execution; Counterparts. This Agreement shall not be binding or effective until properly executed by each Party. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same Agreement, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully executed counterpart.

12.9 Survival. The following Articles and Sections shall survive termination of this Agreement: Articles 8 and 9 in addition to any other provisions which by their nature should, or by their express terms do, survive or extend beyond the Term of this Agreement.

12.10 Waiver. Either Party's waiver of any breach or failure to enforce any of the terms, covenants, conditions, or other provisions of this Agreement at any time shall not in any way affect, limit, modify, or waive that Party's right thereafter to enforce or compel strict compliance with every term, covenant, condition, or other provision hereof, any course of dealing or custom of the trade notwithstanding. All waivers of any term, covenant, condition or other provision of this Agreement must be given in writing.

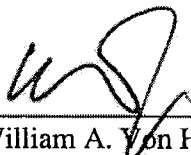
IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized officers as of the Commencement Date.

OPERATOR: EXELON
GENERATION COMPANY, LLC

By: 

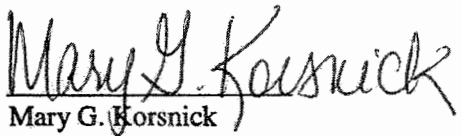
Michael J. Pacilio
Senior Vice President and
Chief Nuclear Officer

OWNERS' PARENT:
CONSTELLATION ENERGY
NUCLEAR GROUP, LLC

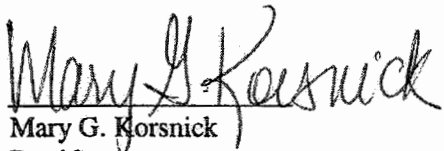
By: 

William A. Von Hoene, Jr.
Chairman of the Board

OWNER: CALVERT CLIFFS
NUCLEAR POWER PLANT, LLC

By: 
Mary G. Korsnick
President

OWNER: NINE MILE POINT
NUCLEAR STATION, LLC

By: 
Mary G. Korsnick
President

OWNER: R.E. GINNA NUCLEAR
POWER PLANT, LLC

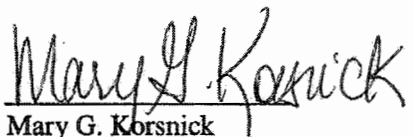
By: 
Mary G. Korsnick
President

EXHIBIT A
Reports

- Monthly financial reports, including actual vs. budget and variance analysis; examples include:
 - Income statement per US GAAP;
 - Balance sheet;
 - Capital cash flow;
 - Cash flow; and
 - Purchase accounting/IFRS for EDF.
- Monthly operating performance reports, including actual vs. goals and trending; examples include:
 - INPO index;
 - Collective radiation exposure;
 - OSHA indicator; and
 - Safety system performance.
- Monthly production reports, including performance against plan; examples include:
 - Net generation;
 - Capacity factor;
 - Forced loss; and
 - Outage duration.
- Annual benchmarking of safety, production and cost performance vs. entire industry.
- Annual business plan and budget.
- Audit plans and results.
- Long range financial and production plans (5 years).

EXHIBIT B
Characterization of Costs to be Applied in NOSA

For avoidance of doubt, the Services may include, but will not be limited to, those described under the subheadings below:

The following corporate nuclear support functions at Exelon Nuclear will be allocated costs through the INPO formula as Nuclear Corporate Services

- Chief Nuclear Officer and staff
- Nuclear oversight
- Nuclear human resources
 - Talent development
 - Recruiting
- Labor relations
- Engineering and technical services governance and oversight
 - Programs and design engineering
 - Nuclear fuel procurement
 - Project management
 - Asset management
- Operational support services governance and oversight
 - Operations oversight and nuclear duty office
 - Maintenance and work management
 - Radiation protection, chemistry and environmental
 - Industrial safety
 - Training
- Outage services
 - Reactor and turbine maintenance
 - Inspection services
 - Vendor alliance management
 - Outage planning and scheduling
- Decommissioning and spent fuel management
- Security
- Emergency preparedness
- Nuclear finance and accounting
 - Financial reports
 - Business planning
- Licensing and regulatory
 - Common regulatory and industry fees
 - Government affairs
- Payroll and associated employee costs and benefits of allocated employees
- Travel and living for business expenses of allocated employees
- Facilities rent and utilities

The following nuclear support functions will be performed at the Sites and be direct costs

- Payroll and associated site employee costs and benefits
- Travel and living for business expenses of site employees
- Materials, parts, equipment and chemicals
- Service contracts performed at the site
- Waste disposal
- Outage services
- Facilities cost

The following Nuclear Services will not be performed at the Sites and will be direct costs

- Corporate managed site specific projects (e.g. license amendments, large equipment replacements)
- Nuclear fuel design and analysis
- Financial support for co-owner billing
- Roving outage services support

The following administrative functions will be allocated costs through the INPO formula as Nuclear Corporate Services

- Strategic supply and procurement
- IT support and development for fleet wide systems and equipment
- Payroll and accounts payable processing
- General legal support
- Benefits administration

The following administrative functions will be performed at the Sites and will be direct costs

- IT staff and equipment
- Supply procurement and materials management functions
- Communications staff
- Human resources

The following administrative functions will not be performed at the Sites and will be direct costs

- Legal support on specific matters relating to a site
- Property tax negotiation
- Labor negotiations
- Corporate managed site-specific projects

Below is a depiction of the framework of direct and allocated cost within Exelon to aid in interpretation of various services that will be delivered.

Financial Structure

