



FEDERAL ENERGY REGULATORY COMMISSION

NEWS

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EC09-40-000; EC09-41-000; EC09-42-000; EC09-43-000; EC09-44-000;
EC09-45-000; EC09-46-000

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FERC Approves EDF Purchase of Constellation Energy Stake

The Federal Energy Regulatory Commission (FERC) today authorized the \$4.5 billion purchase by EDF Development Inc. of an ownership interest in the nuclear generation and operations business of Constellation Energy Group Inc. (Constellation Energy).

The Commission also approved the terms of an agreement that gives Constellation Energy the option but not the obligation to sell its ownership interests in various non-nuclear generating plants and certain associated jurisdictional assets to EDF Development at agreed prices aggregating up to \$2 billion.

FERC found the transactions are consistent with the public interest under the Federal Power Act: they will not adversely affect competition, rates or regulation, and will not result in cross-subsidization of a non-utility associate company, or the pledge or encumbrance of utility assets for the benefit of an associate company that is inconsistent with the public interest.

EDF Development is a unit of Electricite de France SA, which is 85 percent owned by the government of France. Constellation Energy's nuclear generation operations are held by Constellation Nuclear, a wholly owned subsidiary, which provides corporate and engineering services for all of the company's nuclear generation but no services directly to the public.

Under the transactions contemplated by a Master Agreement, EDF Development will acquire a 49.99 percent ownership interest in Constellation Nuclear, provide a \$1 billion up-front cash investment in Constellation Energy in the form of non-voting, non-convertible cumulative preferred stock, and provide Constellation Energy with additional liquidity support, if needed by Constellation Energy, of up to \$2 billion through exercise of the put options. The closing of the sale of the ownership interest in Constellation Nuclear is expected in late 2009. The put options relating to Constellation Energy's non-nuclear assets will remain in effect until the end of 2010.

Constellation Energy and EDF International, a unit of EDF Development formed to conduct international business, also executed an agreement that provides EDF International with the right to nominate one director to Constellation Energy's board, expanding the board from 12 to 13 directors. EDF International owns 8.52 percent interest in Constellation Energy, acquired through open market stock purchases.

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