

EDO Principal Correspondence Control

FROM: DUE: / /

EDO CONTROL: G20080614
DOC DT: 09/11/08
FINAL REPLY:

Michael J. Wallace
Constellation Energy

TO:

Borchardt, EDO

FOR SIGNATURE OF :

** GRN **

CRC NO:

DESC:

Control or Direction of Operations of
Constellation (EDATS: OEDO-2008-0656)

ROUTING:

Borchardt
Virgilio
Mallett
Ash
Ordaz
Cyr/Burns
Johnson, NRO
Collins, RI
Cyr, OGC
Doane, OIP

DATE: 09/12/08

ASSIGNED TO:

CONTACT:

NRR

Leeds

SPECIAL INSTRUCTIONS OR REMARKS:

For Appropriate Action. Review impact of ownership
allowed under 10 CFR Part 50.

Template: EDO-001

E-RIDS: EDO-01

EDATS

Electronic Document and Action Tracking System

EDATS Number: OEDO-2008-0656

Source: OEDO

General Information

Assigned To: NRR

OEDO Due Date: NONE

Other Assignees:

SECY Due Date: NONE

Subject: Control or Direction of Operations of Constellation

Description:

CC Routing: NRO; Region I; OGC; OIP

ADAMS Accession Numbers - Incoming: NONE

Response/Package: NONE

Other Information

Cross Reference Number: G20080614

Staff Initiated: NO

Related Task:

Recurring Item: NO

File Routing: EDATS

Agency Lesson Learned: NO

Roadmap Item: NO

Process Information

Action Type: Appropriate Action

Priority: Medium

Signature Level: No Signature Required

Sensitivity: None

Urgency: NO

OEDO Concurrence: NO

OCM Concurrence: NO

OCA Concurrence: NO

Special Instructions: For Appropriate Action. Review impact of ownship allowed under 10 CFR Part 50.

Document Information

Originator Name: Michael J. Wallace

Date of Incoming: 9/11/2008

Originating Organization: Constellation Energy

Document Received by OEDO Date: 9/11/2008

Addressee: R. William Borchardt, EDO

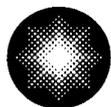
Date Response Requested by Originator: NONE

Incoming Task Received: Letter

Michael J. Wallace
Vice Chairman

100 Constellation Way
Suite 1800P
Baltimore, Maryland 21202-6302

9/11/08



Constellation Energy

R. William Borchardt
Executive Director for Operations
U.S. Nuclear Regulatory Commission
One White Flint North
Mail Stop 16E15
11555 Rockville Pike
Rockville, Maryland 20852-2738

Re: Notification

Dear Mr. Borchardt:

For your information, we have become aware that Électricité de France ("EDF"), a foreign-controlled entity, has increased its stake in Constellation Energy Group, Inc. ("Constellation") from ownership of 4.97% of Constellation's outstanding common stock to 9.5%. This evolution has occurred pursuant to the terms of an investor agreement, dated July 20, 2007 (the "Investor Agreement"), between EDF and Constellation, entered into in connection with a joint venture arrangement between EDF and Constellation with respect to development of new nuclear projects in the United States and Canada.

EDF indicated in a press release issued on August 13, 2008, its intent to "progressively exercise the next level of open market purchases given the opportunity presented by market conditions," and we understand that the investment by EDF in Constellation has been made by means of an accelerated share purchase agreement entered into between EDF and Citibank, N.A.

On Monday, September 8, 2008, EDF filed a Schedule 13D with the Securities and Exchange Commission disclosing its increased investment in Constellation. Under the terms of the Investor Agreement, EDF is permitted to acquire only up to 9.9% of Constellation stock and must vote its shares in the manner recommended by the Constellation Board of Directors. Thus, the increased investment by EDF in Constellation conveys no ability to control or direct the operations of Constellation or the NRC licenses held directly or indirectly by Constellation.

Please contact me should you have any questions or concerns regarding this letter.

Sincerely,

Michael J. Wallace

cc: Samuel J. Collins (Administrator - U.S. NRC - Region I)

EDO --G20080614