



## Fly Ash Class Action Settlement Announced

BALTIMORE, Oct 31, 2008 (BUSINESS WIRE) -- Constellation Energy (NYSE:CEG), The Murphy Firm and the Law Offices of Peter Angelos today announced that the parties have reached a settlement agreement regarding a class action lawsuit filed by residents in Gambrills, Md. who alleged they were damaged by the use of coal ash to reclaim a sand and gravel quarry in Anne Arundel County. The settlement is subject to approval by the Circuit Court for Baltimore City.

The settlement provides for:

- The connection of 84 households, previously supplied by private wells, to public water;
- The establishment of two trust funds to compensate affected property owners and provide site enhancements in the neighborhood;
- The remediation and restoration of the former quarry site; and
- The commitment to cease future deliveries of new coal ash to the quarry.

The costs and benefits of these expenditures and improvements currently are estimated to be \$45 million.

"The settlement in this case marks a milestone in Maryland environmental and legal history. When we filed this case we challenged Constellation Energy to step up to the plate. With this settlement they have done just that - enhancing and preserving the quality of life of this entire community," said Hassan Murphy, managing partner of The Murphy Firm. "This settlement comes at the end of a legal process characterized by long, hard fought, but good faith negotiations. The settlement serves the plaintiffs' personal and economic rights and provides for their future safety as well as long term restitution. The Murphy Firm along with The Angelos Firm is honored to have played a decisive role in bringing about a speedy, equitable solution to a significant problem which presaged potential long term, dangers to both the environment and human well-being. We appreciate Constellation and its legal team for their commitment to working out a solution which best serves all parties - sooner than later."

"We are pleased to have reached a settlement which we believe is beneficial for the residents and the community," said John Long, president of Constellation Power Generation, a subsidiary of Constellation Energy. "We view this as a constructive solution that resolves all outstanding issues and affirms Constellation Energy's commitment to the environment and the communities in which we operate."

From 1995 to 2006, Constellation Energy placed coal ash at the Waugh Chapel and Turner gravel quarries under an agreement with site operator BBSS Inc. The placement of coal ash at the site was permitted by the Maryland Department of the Environment in order to reclaim excavated portions of the site for future development. The coal ash, which is the residue that remains after coal is burned from coal-fired plants, originated from Constellation Energy's H.A. Wagner and Brandon Shores power plants in Anne Arundel County. More information about coal ash is available at [www.communityashupdate.com](http://www.communityashupdate.com)

SOURCE: Constellation Energy

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