

CONSTELLATION ENERGY GROUP INC

Form 424B2

June 23, 2008

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Filed pursuant to Rule 424(b)(2)

Registration Statement Nos. 333-135991 and 333-135991-01

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Maximum Aggregate Offering Price | Amount of Registration Fee (1)(2) |
|-----------------------------------------------------------------------------|----------------------------------|-----------------------------------|
| Constellation Energy Group, Inc. Series A Junior Subordinated Debentures | \$450,000,000 | \$17,685 |

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(2) This filing fee will be offset against the \$112,451 aggregate registration fee previously paid with respect to \$2,000,000,000 aggregate initial offering price of securities that were previously registered pursuant to Constellation Energy Group, Inc.'s Registration Statement No. 333-102723 filed on January 24, 2003, and were not sold thereunder. No additional registration fee has been paid with respect to this offering. In accordance with Rules 456(b) and 457(r), \$94,766 of the \$112,451 previously paid with respect to Registration Statement No. 333-102723 as described above will remain available for future registration fees. This "Calculation of Registration Fee" table shall be deemed to update the "Calculation of Registration Fee" table in Registration Statement Nos. 333-135991 and 333-135991-01.

PROSPECTUS SUPPLEMENT

(To prospectus dated July 24, 2006)

\$450,000,000

Constellation Energy Group, Inc.

Series A Junior Subordinated Debentures

The Series A Junior Subordinated Debentures will bear interest at 8.625% per year. Constellation Energy will pay interest on the Junior Subordinated Debentures on March 15, June 15, September 15 and December 15 of each year, beginning September 15, 2008, unless payment is deferred as described below. The Junior Subordinated Debentures will be issued in registered form and in denominations of \$25 and integral multiples thereof.

Constellation Energy must repay the principal amount of the Junior Subordinated Debentures, together with any accrued and unpaid interest, on the maturity date. The maturity date for the Junior Subordinated Debentures is initially June 15, 2063, but will be automatically extended, without the consent of the holders of Junior Subordinated Debentures, for an additional quarterly period on each of March 15, June 15, September 15 and December 15 beginning June 15, 2013 and through and including March 15, 2018, unless (i) earlier redeemed or (ii) prior to any such date, Constellation Energy elects to discontinue the automatic extension of the maturity date as described in this prospectus supplement. If the maturity date is automatically extended on all of these dates, the Junior Subordinated Debentures will mature on June 15, 2068.

Constellation Energy may defer interest payments on the Junior Subordinated Debentures on one or more occasions for up to 10 consecutive years as described in this prospectus supplement. Deferred interest payments will accrue additional interest at a rate equal to the interest rate on the Junior Subordinated Debentures, compounded on each interest payment date, to the extent permitted by applicable law.

Constellation Energy may redeem the Junior Subordinated Debentures at its option at the times and the prices described in this prospectus supplement.

Constellation Energy intends to apply to list the Junior Subordinated Debentures on the New York Stock Exchange. If approved for listing, trading on the New York Stock Exchange is expected to commence within 30 days after the Junior Subordinated Debentures are first issued.

See “Risk Factors” beginning on page S-10 to read about certain factors you should consider before making an investment in the Junior Subordinated Debentures.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Junior Subordinated Debentures or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Per Junior Subordinated Debenture | Total (3) |
|----------------------------------------------------|--------------------------------------|---------------|
| Price to Public (1) | \$25.00 | \$450,000,000 |
| Underwriting Discount (2) | \$.7875 | \$14,175,000 |
| Proceeds to Constellation Energy (before expenses) | \$24.2125 | \$435,825,000 |

(1) Plus accrued interest, if any, from the date the Junior Subordinated Debentures are originally issued, if settlement occurs after that date.

(2) Underwriting commissions of \$0.7875 per Junior Subordinated Debenture (or up to \$14,175,000 for all Junior Subordinated Debentures) will be deducted from the proceeds paid to Constellation Energy by the underwriters. However, the commission will be \$0.50 per Junior Subordinated Debenture for sales to institutions and, to the extent of such sales, the total underwriting discount will be less than the amount set forth above. As a result of sales to institutions, the total proceeds to Constellation Energy increased by \$947,312.50.

(3) Assumes no exercise of overallotment option.

Constellation Energy has granted the underwriters an overallotment option to purchase up to an additional \$67,500,000 aggregate principal amount of Junior Subordinated Debentures for 30 days following the date of this prospectus supplement. Should the underwriters exercise this option in full, the total initial public offering price, underwriting discount and proceeds, before expenses, of Constellation Energy will be, assuming no sales to institutions of Junior Subordinated Debentures upon exercise of the option, \$517,500,000, \$15,353,937.50 and \$502,146,062.50, respectively.

The Junior Subordinated Debentures are expected to be delivered in book-entry only form through The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme, on or about June 27, 2008.

Joint Book-Running Managers

Citi
Merrill Lynch & Co.
Sole Structuring
Coordinator

Morgan Stanley

UBS Investment Bank

Wachovia Securities

Co-Manager

Banc of America Securities LLC

The date of this prospectus supplement is June 20, 2008.

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This document is made up of two parts. The first part is the prospectus supplement, which describes Constellation Energy's business and the specific terms of the securities offered. The second part, the accompanying prospectus, which is part of a registration statement filed with the Securities and Exchange Commission, gives more general information, some of which may not apply to this offering. If the description of the offering varies between the prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and in the accompanying prospectus and in any written communication from Constellation Energy or the underwriters specifying the final terms of the offering. Neither Constellation Energy nor the underwriters has authorized anyone else to provide you with additional or different information. Neither Constellation Energy nor the underwriters is making an offer of these Junior Subordinated Debentures in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus supplement or in the accompanying prospectus is accurate as of any date other than the date on the front of those documents or that the information incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. Constellation Energy's business, financial condition, results of operations and prospects may have changed since those dates.

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PROSPECTUS SUPPLEMENT SUMMARY

You should read the following summary in conjunction with the more detailed information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus. This prospectus supplement and the accompanying prospectus contain forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995). Forward-looking statements should be read with the cautionary statements in the accompanying prospectus under the heading “Forward-Looking Statements” and the important factors discussed in this prospectus supplement and in the incorporated documents. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. You should pay special attention to the “Risk Factors” section beginning on page S-10 of this prospectus supplement to determine whether an investment in these Junior Subordinated Debentures is appropriate for you.

CONSTELLATION ENERGY

Constellation Energy is an energy company which includes a merchant energy business and Baltimore Gas and Electric Company (“BGE”), a regulated electric and gas public utility in central Maryland. Constellation Energy was incorporated in Maryland on September 25, 1995. On April 30, 1999, Constellation Energy became the holding company for BGE and its subsidiaries. In this prospectus supplement, “Constellation Energy” refers to Constellation Energy Group, Inc.

Constellation Energy’s merchant energy business is a competitive provider of energy solutions for a variety of customers. It has electric generation assets located in various regions of the United States and provides energy solutions to meet customers’ needs. Constellation Energy’s merchant energy business focuses on serving the full energy and capacity requirements (load-serving) of, and providing other energy products and risk management services for, various customers.

Constellation Energy’s merchant energy business includes:

- a power generation and development operation that owns, operates, and maintains fossil and renewable generating facilities, and holds interests in qualifying facilities, fuel processing facilities and power projects in the United States,
 - a nuclear generation operation that owns, operates and maintains nuclear generating facilities,
- a customer supply operation that primarily provides energy products and services relating to load-serving obligations to wholesale and retail customers, including distribution utilities, cooperatives, aggregators, and commercial, industrial and governmental customers, and
- a global commodities operation that manages contractually controlled physical assets, including generation facilities, natural gas properties and international coal and freight assets, provides risk management services and trades energy and energy-related commodities.

Constellation Energy’s other nonregulated businesses:

- design, construct and operate renewable energy, heating, cooling and cogeneration facilities and provide various energy-related services, including energy consulting, for commercial, industrial and governmental customers throughout North America,
-

provide home improvements, service heating, air conditioning, plumbing, electrical and indoor air quality systems, and provide natural gas to residential customers in central Maryland, and

- develop and deploy new nuclear plants in North America.

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The information above concerning Constellation Energy is only a summary and does not purport to be comprehensive. For additional information about Constellation Energy, you should refer to the information described in “Where You Can Find More Information” in the accompanying prospectus.

Constellation Energy’s principal executive offices are located at 750 E. Pratt Street, Baltimore, Maryland 21202.

SUMMARY

The following summary contains basic information about this offering. For a more complete understanding of this offering, Constellation Energy encourages you to read this entire prospectus supplement, including “Specific Terms of the Junior Subordinated Debentures,” and the accompanying prospectus, including “Description of the Debt Securities.”

| | |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer | Constellation Energy Group, Inc. |
| Securities Offered | Constellation Energy is offering \$450,000,000 aggregate principal amount of its Series A Junior Subordinated Debentures (\$517,500,000 principal amount if the underwriters exercise their overallotment option in full), which will be referred to as the “Junior Subordinated Debentures” in this prospectus supplement. |
| Denominations | The Junior Subordinated Debentures will be issued in denominations of \$25 and integral multiples thereof. |
| Maturity Date | Any unpaid principal amount of the Junior Subordinated Debentures, together with accrued and unpaid interest, will be due and payable on the maturity date, or upon acceleration following an event of default. The maturity date for the Junior Subordinated Debentures is initially June 15, 2063, but will be automatically extended, without the consent of the holders of Junior Subordinated Debentures, for an additional quarterly period on each of March 15, June 15, September 15 and December 15 beginning June 15, 2013 and through and including March 15, 2018 (each, an “extension date”), unless (i) earlier redeemed or (ii) prior to any such extension date, Constellation Energy elects to discontinue the automatic extension of the maturity date as described in this prospectus supplement. As a result, if the maturity date is automatically extended on all extension dates, the Junior Subordinated Debentures will mature on June 15, 2068. See “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity—Maturity” in this prospectus supplement. |
| Interest | <p>The Junior Subordinated Debentures will bear interest at an annual rate equal to 8.625% per year. Subject to Constellation Energy’s right to defer interest payments as described below, interest is payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning September 15, 2008.</p> <p>For a more complete description of interest payable on the Junior Subordinated Debentures, see “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity—Interest” in this prospectus supplement.</p> |
| Record Dates for Payment of Interest | So long as all of the Junior Subordinated Debentures remain in book-entry only form, the record date for each interest payment date will be the close of business on the business day (as defined below under “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity—Interest”) immediately preceding the applicable interest payment date. If any of the |

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Junior Subordinated Debentures do not remain in book-entry only form, the record date for each interest payment date will be the close of business on the fifteenth calendar day immediately preceding the applicable interest payment date.

Optional Deferral of Interest

So long as no event of default has occurred and is continuing with respect to the Junior Subordinated Debentures, Constellation Energy may defer interest payments on the Junior Subordinated Debentures, from time to time, for one or more periods (each, an “Optional Deferral Period”) of up to 10 consecutive years per Optional Deferral Period. In other words, Constellation Energy may declare at its discretion up to a 10-year interest payment moratorium on the Junior Subordinated Debentures, and may choose to do that on more than one occasion. Constellation Energy may not defer payments beyond the maturity date of the Junior Subordinated Debentures. During an Optional Deferral Period, interest will continue to accrue on the Junior Subordinated Debentures, compounded quarterly, and deferred interest payments will accrue additional interest at a rate equal to the interest rate on the Junior Subordinated Debentures, to the extent permitted by applicable law. Once all accrued and unpaid interest on the Junior Subordinated Debentures has been paid, Constellation Energy can begin a new Optional Deferral Period. However, Constellation Energy has no current intention of deferring interest payments on the Junior Subordinated Debentures.

Even though you will not receive any interest payments on your Junior Subordinated Debentures during an Optional Deferral Period, you will be required to accrue interest income and include original issue discount in your gross income for United States federal income tax purposes on an economic accrual basis, even if you are a cash basis taxpayer. You should consult with your own tax advisor regarding the tax consequences of an investment in the Junior Subordinated Debentures. See “Material United States Federal Income Tax Consequences—U.S. Holders—Interest” in this prospectus supplement.

For a more complete description of Constellation Energy’s ability to defer the payment of interest, see “Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments” in this prospectus supplement.

Certain Restrictions during an Optional Deferral Period

During any period in which Constellation Energy defers interest payments on the Junior Subordinated Debentures, Constellation Energy will not, and will cause its majority-owned subsidiaries not to, do any of the following (with limited exceptions):

- declare or pay any dividend or distribution on Constellation Energy’s capital stock;
- redeem, purchase, acquire or make a liquidation payment with respect to any of Constellation Energy’s capital stock;
- pay any principal, interest or premium on, or repay, repurchase or redeem any of Constellation Energy’s debt securities that are equal or junior in right of payment with the Junior Subordinated Debentures; or
- make any payments with respect to any Constellation Energy guarantee of debt securities if such guarantee is equal or junior in right of payment to the Junior Subordinated Debentures.

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See “Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments” in this prospectus supplement.

If Constellation Energy defers interest for a period of 10 consecutive years from the commencement of an Optional Deferral Period, Constellation Energy will be required to pay all accrued and unpaid interest at the conclusion of the 10-year period. If Constellation Energy fails to pay in full all accrued and unpaid interest at the conclusion of the 10-year period and such failure continues for 30 days, an event of default that gives rise to acceleration of principal and interest on the Junior Subordinated Debentures will occur under the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued. See “Specific Terms of the Junior Subordinated Debentures—Limitation on Remedies” in this prospectus supplement and “Description of the Debt Securities—Events of Default” in the accompanying prospectus.

Optional Redemption

Constellation Energy may redeem the Junior Subordinated Debentures at its option:

- in whole or in part on one or more occasions before June 15, 2013 at a redemption price as set forth below under “Specific Terms of the Junior Subordinated Debentures—Redemption” in this prospectus supplement;
- in whole or in part on one or more occasions on or after June 15, 2013 at 100% of their principal amount plus accrued and unpaid interest;
- in whole, but not in part, before June 15, 2013 at 100% of their principal amount plus accrued and unpaid interest in the event of a Tax Event (as defined below under “Specific Terms of the Junior Subordinated Debentures—Right to Redeem Upon a Tax Event” in this prospectus supplement); or
- in whole or in part on one or more occasions before June 15, 2013 at a redemption price as set forth below under “Specific Terms of the Junior Subordinated Debentures—Right to Redeem Upon a Rating Agency Event” in this prospectus supplement in the event of a Rating Agency Event (as defined below under “Specific Terms of the Junior Subordinated Debentures—Right to Redeem Upon a Rating Agency Event” in this prospectus supplement).

Replacement Capital Covenant

Around the time of the initial issuance of the Junior Subordinated Debentures, Constellation Energy will enter into a Replacement Capital Covenant, as described below under “Certain Terms of the Replacement Capital Covenant,” in which Constellation Energy will covenant for the benefit of holders of a designated series of Constellation Energy’s unsecured long-term indebtedness, other than the Junior Subordinated Debentures, that it:

- will not redeem or purchase, or satisfy, discharge or defease (collectively, “defease”) the Junior Subordinated Debentures, and
- will cause its majority-owned subsidiaries not to purchase the Junior Subordinated Debentures,

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in each case on or before June 15, 2033 (which date will be automatically extended for additional quarterly periods to no later than June 15, 2038 if and to the extent that the maturity date of the Junior Subordinated Debentures is extended as provided in “Specific Terms of the Junior Subordinated Debentures—Interest and Maturity—Maturity”), unless, subject to certain limitations, a specified amount shall have been raised from the issuance, during the 180 days prior to the date of that redemption, purchase or defeasance, of qualifying securities that have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the Junior Subordinated Debentures at the time of redemption, purchase or defeasance. See “Certain Terms of the Replacement Capital Covenant” in this prospectus supplement.

The Replacement Capital Covenant is not intended for the benefit of holders of the Junior Subordinated Debentures and may not be enforced by them, and the Replacement Capital Covenant is not a term of the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued or the Junior Subordinated Debentures.

Ranking

Constellation Energy’s payment obligation under the Junior Subordinated Debentures will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of Constellation Energy’s Senior Indebtedness. Senior Indebtedness of Constellation Energy is defined below under “Specific Terms of the Junior Subordinated Debentures—Subordination; Ranking of the Junior Subordinated Debentures.” However, the Junior Subordinated Debentures will rank equally in right of payment with any Pari Passu Securities, as defined below under “Specific Terms of the Junior Subordinated Debentures—Subordination; Ranking of the Junior Subordinated Debentures.”

Constellation Energy is a holding company that derives substantially all of its income from its operating subsidiaries. Constellation Energy’s subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts on the Junior Subordinated Debentures or to make any funds available for such payment. Therefore, the Junior Subordinated Debentures will be effectively subordinated to all indebtedness and other liabilities, including trade payables and debt, as well as to preferred stock incurred or issued by Constellation Energy’s subsidiaries. In addition to trade liabilities, some of Constellation Energy’s operating subsidiaries incur debt in order to finance their business activities. All of this indebtedness and right to payments under preferred stock will be effectively senior to the Junior Subordinated Debentures. The subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued does not place any limit on the amount of Senior Indebtedness that Constellation Energy may issue, guarantee or otherwise incur or the amount of liabilities, including debt, or preferred stock, that Constellation Energy’s subsidiaries may issue, guarantee or otherwise incur. Constellation Energy expects from time to time to incur additional indebtedness and other liabilities that will be senior to the Junior Subordinated Debentures. At April 30, 2008, Constellation Energy’s Senior Indebtedness, on an unconsolidated basis, totaled approximately \$2.662 billion.

Listing

Constellation Energy intends to apply to list the Junior Subordinated Debentures on the New York Stock Exchange. If approved for listing, trading of the Junior Subordinated Debentures is expected to begin within 30 days after they are first issued.

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| Form | The Junior Subordinated Debentures will be represented by one or more global certificates and registered in the name of The Depository Trust Company (“DTC”) or its nominee, and deposited with the indenture trustee on behalf of DTC. This means that you will not receive a certificate for your Junior Subordinated Debentures and that your broker will maintain your position in the Junior Subordinated Debentures. Constellation Energy expects that the Junior Subordinated Debentures will be ready for delivery through DTC on or about the date indicated on the cover of this prospectus supplement. You may elect to hold interests in the Junior Subordinated Debentures through DTC (in the United States), or through either Clearstream, Luxembourg, or Euroclear (outside of the United States), if you are a participant in any of these systems, or indirectly through an organization which is a participant in these systems. See “Specific Terms of the Junior Subordinated Debentures—Book-Entry Only Issuance” in this prospectus supplement for additional information. |
| Expected Credit Ratings | Constellation Energy expects that the Junior Subordinated Debentures will be rated “Baa2”, “BBB-” and “BBB” by Moody’s Investors Service, Inc. (“Moody’s”), Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (“S&P”), and Fitch Ratings, respectively. Constellation Energy expects that Moody’s and S&P will each assign a negative outlook, and Fitch Ratings will assign a stable outlook, with respect to their respective ratings of the Junior Subordinated Debentures. Credit ratings are not a recommendation to buy, sell or hold these Junior Subordinated Debentures. Each rating may be subject to revision or withdrawal at any time by the assigning rating organization, and should be evaluated independently of any other rating. |
| Principal United States Federal Income Tax Consequences | <p>In connection with the issuance of the Junior Subordinated Debentures, Constellation Energy will receive an opinion from Thelen Reid Brown Raysman & Steiner LLP that, for United States federal income tax purposes, the Junior Subordinated Debentures will be classified as indebtedness (although there is no clear authority on point). This opinion is subject to certain customary conditions. See “Material United States Federal Income Tax Consequences” in this prospectus supplement.</p> <p>Each holder of Junior Subordinated Debentures will, by accepting the Junior Subordinated Debentures or a beneficial interest therein, be deemed to have agreed to treat the Junior Subordinated Debentures as indebtedness for all United States federal, state and local tax purposes. Constellation Energy intends to treat the Junior Subordinated Debentures in the same manner.</p> <p>If Constellation Energy defers interest payments on the Junior Subordinated Debentures for one or more Optional Deferral Periods, the holders of the Junior Subordinated Debentures will be required to accrue income for United States federal income tax purposes in the amount of the accrued and unpaid interest payments on the Junior Subordinated Debentures, in the form of original issue discount, even though cash interest payments are deferred and even though they may be cash basis taxpayers.</p> |
| Reopening of the Series | Constellation Energy may, without the consent of the holders of the Junior Subordinated Debentures, increase the principal amount of the series and issue additional junior subordinated debentures of such series having the same ranking, interest rate, maturity and other terms as the Junior Subordinated Debentures. Any such additional junior subordinated debentures may, together with the Junior Subordinated Debentures, constitute a single series |

of securities under the subordinated indenture pursuant to which the Junior Subordinated Debentures will be issued. See “Specific Terms of the Junior Subordinated Debentures—Reopening of the Series” in this prospectus supplement.

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| Use of Proceeds | The net proceeds from the sale of the Junior Subordinated Debentures will be used for general corporate purposes. See “Use of Proceeds” in this prospectus supplement. |
| Indenture Trustee | Deutsche Bank Trust Company Americas. |
| Governing Law | The subordinated indenture and the supplemental indenture pursuant to which the Junior Subordinated Debentures will be issued and the Junior Subordinated Debentures will be governed by and construed in accordance with the laws of the State of New York. |

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RISK FACTORS

Before purchasing the Junior Subordinated Debentures, investors should carefully consider the following risk factors together with the risk factors and other information incorporated by reference or provided in this prospectus supplement or in the accompanying prospectus in order to evaluate an investment in the Junior Subordinated Debentures.

Risks Relating to the Junior Subordinated Debentures

Constellation Energy can defer interest payments on the Junior Subordinated Debentures for one or more periods of up to 10 years each. This may affect the market price of the Junior Subordinated Debentures.

So long as no event of default has occurred and is continuing with respect to the Junior Subordinated Debentures, Constellation Energy may defer interest payments on the Junior Subordinated Debentures, from time to time, for one or more Optional Deferral Periods of up to 10 consecutive years. At the end of an Optional Deferral Period, if all amounts due are paid, Constellation Energy could start a new Optional Deferral Period of up to 10 consecutive years. During an Optional Deferral Period, interest will continue to accrue on the Junior Subordinated Debentures, compounded quarterly, and deferred interest payments will accrue additional interest at a rate equal to the interest rate on the Junior Subordinated Debentures, to the extent permitted by applicable law. No Optional Deferral Period may extend beyond the maturity date of the Junior Subordinated Debentures. If Constellation Energy exercises this right to defer interest payments, the market price of the Junior Subordinated Debentures is likely to be affected. See “Specific Terms of the Junior Subordinated Debentures—Option to Defer Interest Payments” in this prospectus supplement.

If Constellation Energy exercises its right to defer interest payments, the Junior Subordinated Debentures may trade at a price that does not fully reflect the value of accrued but unpaid interest on the Junior Subordinated Debentures or that is otherwise less than the price at which the Junior Subordinated Debentures may have been traded if Constellation Energy had not exercised such right. In addition, as a result of Constellation Energy’s right to defer interest payments, the market price of the Junior Subordinated Debentures may be more volatile than other securities that do not have these rights.