

IN THE CIRCUIT COURT FOR WASHINGTON COUNTY, MARYLAND

<p>MONONGAHELA POWER COMPANY, <i>et al.</i></p> <p><i>Plaintiffs,</i></p> <p>v.</p> <p>CERTAIN UNDERWRITERS AT LLOYD'S, LONDON, AND LONDON MARKET COMPANY, <i>et al.</i></p> <p><i>Defendants.</i></p>	<p>Case No. 21-C-03-16733-DJ</p>
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ORDER

Upon consideration of the Motion for Separation of Questions for Decision on the Number of Occurrence, Trigger, and Right of Policyholder Selection Policy Interpretation Issues by Monongahela Power Company, West Penn Power Company, The Potomac Edison Company, and Allegheny Energy, Inc., (collectively, "Allegheny"), oral argument presented by Allegheny and TIG Insurance Company, as successor in interest by merger to International Insurance Company, and The North River Insurance Company, but only to the extent, if any, that the North River Non-JU Policies were not novated to International Insurance Company, (collectively, "TIG") concerning the same, evidence presented and judicially noticed by the Court pursuant to Maryland Rule of Evidence 5-201, the law of the case as set forth in the Court's prior May 21, 2010, June 1, 2010, and June 29, 2010 orders, pursuant to Maryland Rule 2-502, it is hereby **DECLARED, ORDERED** and **ADJUDGED** this 10th day of January 2011 as follows:

The Court finds and declares that Pennsylvania law applies to the interpretation and application of the terms of policies numbered 522-051804-9, 522-051805-8, 522-051806-7, and

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DENNIS J. WEAVER, CLERK
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522-051807-6 issued by The North River Insurance Company to Allegheny (the “Non-JU Policies”) at issue in this case.

On the issue of “occurrence,” the Court finds and declares that where asbestos suits seek to hold Allegheny liable for an alleged failure to maintain a safe workplace and/or failure to warn of alleged asbestos risks at the workplaces such asbestos suit arises from the same cause. Thus, with respect to the interpretation of the Non-JU Policies, all such asbestos suits arise out of a single occurrence and all judgments and/or settlements paid on account of such asbestos suits arise out of a single occurrence.

On the issue of “trigger of coverage,” the Court finds and declares that under Pennsylvania law the Non-JU Policies are triggered by an asbestos-related bodily injury claim where an asbestos claimant alleges that he or she suffers asbestos-related bodily injury and that alleged bodily injury takes place during the policy period of the Non-JU Policies and where an asbestos claimant alleges that Plaintiffs are liable for such injury because of an alleged failure to maintain safe workplaces and/or failure to warn of alleged asbestos risks at the workplaces. In accordance with Pennsylvania law, asbestos-related bodily injury takes place in each policy year from the date of alleged initial exposure to asbestos continuously thereafter until death or diagnosis.


If both Allegheny’s “project policies” and Non JU Policies respond to the same loss, the “project policies” apply first up to the full limits of all applicable coverage provided. The Court further finds and declares that, when and if Allegheny can show that the underlying limits set forth in the Non-JU Policies are satisfied pursuant to the terms of the policies, Plaintiffs have the right to select the Non-JU Policy that is triggered by an asbestos suit to pay its share, as specified

in the Non-JU Policy's declaration page, of "all sums" for settlements and judgments for such asbestos suits.

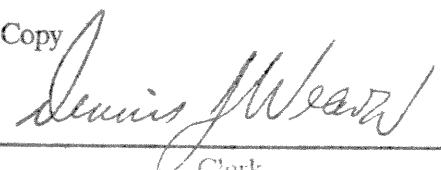
By prior order, this Court granted TIG's partial summary judgment as to the claims asserted against Non JU policies in Count I of Allegheny's First Amended Complaint with respect to the Non-JU Policies.

With respect to Count X of Allegheny's first amended complaint, the Declaratory Judgment Count, as Allegheny has abandoned any specific relief not resolved by this order, judgment is entered dismissing that Count as to all relief sought against TIG except as indicated above in this order. Notwithstanding the foregoing sentence, if Allegheny can show that the underlying limits set forth in the Non-JU Policies are satisfied pursuant to the terms of the policies with respect to a covered claim, Plaintiffs are not precluded by such dismissal from seeking coverage for such claim.

Since this Order disposes of all of the remaining declaratory relief claims asserted in Count X of Allegheny's First Amended Complaint against TIG with respect to the Non-JU policies, it therefore resolves all remaining claims involving the Non-JU Policies. Since all other Defendants in this action have been or will be dismissed from this action because of settlement or otherwise, the Court finds that there is no just reason for delay and directs entry of a final judgment pursuant to Maryland Rule 2-602(b).



Fred C. Wright, III

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