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BANKRUPTCY COURT APPROVES SALE OF USGEN NEW ENGLAND'S THREE NORTHEAST POWER PLANTS TO DOMINION

Transaction is Expected to Close Early Next Year

BETHESDA, Md. – USGen New England, Inc. today announced that the U.S. Bankruptcy Court for the District of Maryland, Greenbelt Division, approved the sale of the company's two coal/oil-fired electric generating facilities and a natural gas-fired plant to Dominion. The purchase price is \$536 million in cash, plus an adjustment for inventory and reimbursement of certain capital expenditures incurred prior to closing. The adjusted amount is estimated at \$120 million based on a closing at the end of the first quarter 2005, making the total sale price \$656 million.

The sale still requires certain regulatory approvals and transfer of all operating and environmental permits.

The plants include the 1,599-megawatt Brayton Point Station in Somerset, Mass.; the 745-megawatt Salem Harbor Station in Salem, Mass.; and the 495-megawatt Manchester Street Station in Providence, RI.

USGen New England, which announced the Dominion agreement in early September, is currently in bankruptcy. Because of this, USGen New England followed a court-sanctioned auction process where it sought offers that were higher or otherwise better than that negotiated with Dominion. Since there were no other qualified bids, an actual auction was not necessary.

Headquartered in Bethesda, Md., USGen New England is a subsidiary of National Energy & Gas Transmission, Inc. USGen New England is separately pursuing the sale of its hydroelectric generating facilities also through a court-sanctioned auction process. As previously announced, an affiliate of TransCanada Corporation has agreed to purchase the hydroelectric generation assets for \$505 million. The auction is scheduled for Dec. 9 and the bankruptcy court hearing to approve the sale to the successful auction bidder is slated for Dec. 15.

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