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## **USGEN NEW ENGLAND AGREES TO SELL THREE NORTHEAST POWER PLANTS TO DOMINION**

### ***Transaction Subject to U.S. Bankruptcy Court Approval***

BETHESDA, Md. – USGen New England, Inc. today announced an agreement for Dominion to acquire two coal/oil-fired electric generating facilities and a natural gas-fired plant for \$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 in 2005, making the total sale price \$656 million.

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 voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code in July 2003. As a result, the sale will be subject to bankruptcy court approval. Through a court-sanctioned auction process in accordance with customary bidding procedures, USGen New England will seek offers that are higher or otherwise better than that which has been negotiated with Dominion.

Dominion is granted certain protections as part of its agreement, most notably and subject to court approval, a break-up fee and expense reimbursement if another bid is accepted. Dominion also retains the right to amend its offer should USGen New England receive an offer that is superior to the agreement announced today.

The sale also will be subject to anti-trust and other regulatory reviews. The transaction is expected to close by the end of the first quarter 2005.

Lazard served as exclusive financial advisor to USGen New England in connection with this transaction.

Headquartered in Bethesda, Md., USGen New England is a subsidiary of National Energy & Gas Transmission, Inc., which is in a separately administered Chapter 11.

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**USGEN NEW ENGLAND AGREES TO SELL  
THREE NORTHEAST POWER PLANTS TO DOMINION  
ADD ONE**

USGen New England is separately pursuing the sale of its hydroelectric generating facilities, also subject to bankruptcy court approval, including an auction process in accordance with customary bidding procedures.

Dominion is one of the nation's leading energy companies, headquartered in Richmond, Va.

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