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PLAN OF LIQUIDATION DOES NOT CONSTITUTE A SOLICITATION OF ITS
ACCEPTANCE**

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

_____)	
In re:)	
)	
USGen New England, Inc.,)	Case No. 03-30465 (PM)
)	
Debtor.)	Chapter 11
_____)	

**FIRST AMENDED PLAN OF LIQUIDATION
FOR USGEN NEW ENGLAND, INC.**

Dated: February 17, 2005

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EXHIBITS

Exhibit 1.21 (Summary of Bear Swamp Entities' Proofs of Claim filed in the Chapter 11 Case)

Exhibit 1.25 (Bear Swamp Land Transfer Term Sheet)

Exhibit 1.90 (Owner Participants/BSC Term Sheet)

Exhibit 1.114 (Shareholder Entity Chart)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

In re:)	
)	
USGen New England, Inc.,)	Case No. 03-30465 (PM)
)	
Debtor.)	Chapter 11
)	

FIRST AMENDED PLAN OF LIQUIDATION

USGen New England, Inc., debtor and debtor in possession in the above-captioned chapter 11 case, hereby proposes this first amended plan of liquidation as its plan to be confirmed by the United States Bankruptcy Court for the District of Maryland (Greenbelt Division) pursuant to section 1129 of Title 11 of the United States Code, 11 U.S.C. §101 et seq.

**ARTICLE I
DEFINITIONS**

As used in the Plan, the following terms have the respective meanings specified below (such meanings to be equally applicable to both the singular and the plural, and masculine and feminine forms of the terms defined):

1.01 “*Administrative Claim*” means a Claim for payment of costs or expenses of administration specified in sections 503(b) and 507(a)(1) and (b) of the Bankruptcy Code, other than a Fee Claim.

1.02 “*Administrative Reserve*” means the reserve established pursuant to section 7.01 of the Plan for the payment of projected fees and expenses to be incurred by the Debtor or Plan Administrator, as the case may be, in prosecuting the Causes of Action, implementing and consummating the terms of the Plan, winding up the affairs of the Debtor and

the Retained Estate, and otherwise paying Administrative Claims and Fee Claims and completing the tasks necessary to close the Chapter 11 Case.

1.03 “*Allowed*” means a Claim, Administrative Claim, Fee Claim, Priority Tax Claim, or Interest: (a) (i) proof of which has been timely filed with the Bankruptcy Court or has been deemed timely filed by a Final Order, or if no such proof is so filed, which has been scheduled by the Debtor in the Schedules other than as disputed, contingent or unliquidated, and (ii) as to which no party in interest has timely filed an objection, filed a motion to equitably subordinate, or otherwise sought to limit recovery within the time limits specified in this Plan or permitted by the Bankruptcy Court, or (b) which is allowed by a Final Order of the Bankruptcy Court (other than the Confirmation Order), or (c) which is allowed by this Plan pursuant to the Confirmation Order, except that in the case of this subpart (c) the relevant Claim, Administrative Claim, Fee Claim, Priority Tax Claim or Interest shall be allowed only as of the Effective Date.

1.04 “*Allowed [Class Designation/Type] Claim*” means a Claim that is Allowed in a specified class or of a specified type.

1.05 “*Attala Generating Facility*” means that certain 526 megawatt, nominally rated natural gas-fired combined-cycle electric generating facility located in Attala County, Mississippi.

1.06 “*Avoidance Action*” means an action pursuant to section 510, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code brought by or on behalf of the Debtor or the Debtor’s estate.

1.07 “*BSC Claim*” means that certain \$485,000,000.00 General Unsecured Claim, which is Allowed by this Plan as of the Effective Date, pursuant to the Bear Swamp Compromise and the Bear Swamp Documents, which is held by HSBC for the benefit of the

Bear Swamp Certificateholders and by the Owner Participants, and which is participated in by the Shareholder in accordance with the Shareholder Participation.

1.08 “*BSC Record Date*” means the date set by the Bankruptcy Court in respect of distributions to the Bear Swamp Certificateholders.

1.09 “*Ballot*” means the form transmitted to Creditors for voting to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

1.10 “*Bankruptcy Code*” means sections 101, *et seq.* of Title 11 of the United States Code, as now in effect or hereafter amended.

1.11 “*Bankruptcy Court*” means the United States Bankruptcy Court for the District of Maryland (Greenbelt Division) or any other court or adjunct thereof exercising competent jurisdiction over the Chapter 11 Case.

1.12 “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as amended from time to time, and the local rules of the Bankruptcy Court, as applicable to the Chapter 11 Case.

1.13 “*Bar Date*” means January 9, 2004 with respect to Claims arising before the Petition Date; *provided however*, it does not apply to those Claims specified in that order of the Bankruptcy Court entered on the docket on November 10, 2003 (Docket No. 480).

1.14 “*Bear Swamp Adversary Proceeding*” means adversary proceeding No. 04-01001 in the Bankruptcy Court, captioned USGen New England, Inc. and the Official Committee of Unsecured Creditors of USGen New England, Inc., as intervening co-plaintiff v. Bear Swamp Generating Trust No. 1 LLC, Bear Swamp Generating Trust No. 2 LLC, Bear Swamp I LLC, Bear Swamp II LLC, Wilmington Trust Company and HSBC Bank USA.

1.15 “*Bear Swamp Certificateholders*” means the holders of the Bear Swamp Certificates.

1.16 “*Bear Swamp Certificates*” means, collectively, (i) 7.459% Pass Through Certificates, series 1998-A and (ii) 8.270% Pass Through Certificates, series 1998-B.

1.17 “*Bear Swamp Compromise*” means the compromise of the Bear Swamp Adversary Proceeding described in this Plan, including, without limitation, sections 5.02 and 5.04 hereof.

1.18 “*Bear Swamp Compromise Order*” has the meaning set forth in section 5.02(D) of this Plan.

1.19 “*Bear Swamp Deed*” means a “release deed” (as that term is defined in the Bear Swamp Land Purchase Agreement) for a one hundred percent (100%) undivided interest in the Bear Swamp Land, in the form which is attached to the Bear Swamp Land Purchase Agreement.

1.20 “*Bear Swamp Documents*” means those certain Bear Swamp Operating Agreements, facility lease agreements, facility site sublease agreements, participation agreements, tax indemnity agreements, settlement agreements, trust agreements, lease indentures, and all related documents, agreements, instruments, orders and plans evidencing and/or relating to the 1998 leveraged lease transaction involving the Bear Swamp Facility, including, without limitation, the following documents, agreements and instruments, in each case as the same may have been amended, modified or supplemented from time to time: (i) the Facility Lease Agreement (T1), dated as of November 30, 1998, between Owner Trust No. 1 as Owner Lessor, and the Debtor, as Facility Lessee (the “T1 Facility Lease”); (ii) the Facility Lease Agreement (T2), dated as of November 30, 1998, between Owner Trust No. 2, as Owner

Lessor, and the Debtor, as Facility Lessee (the “T2 Facility Lease”, and, together with the T1 Facility Lease, the “Facility Leases”); (iii) the Facility Site Leases; (iv) the Facility Site Sublease Agreement (T1), dated as of November 30, 1998, between Owner Trust No. 1, as Ground Sub-Lessor, and the Debtor, as Ground Sublessee (the “T1 Site Sublease”); (v) the Facility Site Sublease Agreement (T2), dated as of November 30, 1998, between Owner Trust No. 2, as Ground Sub-Lessor, and the Debtor, as Ground Sublessee (the “T2 Site Sublease” and, together with the T1 Site Sublease, the “Site Subleases”) (the Facility Leases, the Facility Site Leases, and the Site Subleases are referred to collectively as the “Bear Swamp Leases”); (vi) the Participation Agreement (T1), dated as of November 23, 1998, among the Debtor, Owner Trust No. 1, Wilmington Trust Company as Owner Trustee, Owner Participant No. 1, and the Indenture Trustee (the “T1 Participation Agreement”); (vii) the Participation Agreement (T2), dated as of November 23, 1998, among the Debtor, Owner Trust No. 2, Wilmington Trust Company as Owner Trustee, Owner Participant No. 2 and the Indenture Trustee (the “T2 Participation Agreement” and, together with the T1 Participation Agreement, the “Subject Participation Agreements”); (viii) the Tax Indemnity Agreement dated as of November 30, 1998, between the Debtor and Owner Participant No. 1; (ix) the Tax Indemnity Agreement, dated as of November 30, 1998, between the Debtor and Owner Participant No. 2; (x) the Pass Through Trust Agreement A, dated as of November 23, 1998, between the Debtor and The Chase Manhattan Bank (the “Pass Through Trust Agreement A”); (xi) the Pass Through Trust Agreement B, dated as of November 23, 1998 between the Debtor and The Chase Manhattan Bank (the “Pass Through Agreement B” and together with the Pass Through Trust Agreement A, the “Pass Through Trust Agreements”); and (xii) the Subject Indentures.

1.21 “*Bear Swamp Entities’ Proofs of Claim*” means: (a) Proofs of Claim numbered 95, 96, 97, 98, 164, 165, 166, 167, 168, 169, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 191, 216, 217, 218, 219, 220, 221, 327, 328, 329, 330, 331, 332, 360, 391, 392, 393, 394, 588, 601 and 705 filed by or for the benefit of the Bear Swamp Certificateholders, the Owner Participants, the Owner Trusts, and/or HSBC in the Chapter 11 case of NEGT in the Bankruptcy Court, and (b) any and all Proofs of Claim filed by or for the benefit of the Bear Swamp Certificateholders, the Owner Participants, the Owner Trusts and HSBC in the Chapter 11 Case of the Debtor in the Bankruptcy Court and as further identified on Exhibit 1.21.

1.22 “*Bear Swamp Facility*” means the Bear Swamp pumped storage hydroelectric facility, which consists of two (2) hydroelectric generation facilities as well as related units, powerhouses, reservoirs, and related buildings, land and improvements, located on 1,232 acres of land on and adjacent to the Deerfield River in the towns of Rowe and Florida, Massachusetts, including the Bear Swamp Pump Storage Station and the Fife Brook Station and including various licenses, as more fully described in the Facility Leases.

1.23 “*Bear Swamp Land*” means the land in the Towns of Florida, Berkshire County, and Rowe, Franklin County, Massachusetts, shown on the survey entitled ‘*Existing Conditions Plan of Bear Swamp, Project No. 2669, Prepared for USGen New England, Inc., Florida and Rowe, Massachusetts,*’ dated October 23, 1998, prepared by Cullinan Engineering and consisting of four sheets, as it may be amended by the updated recordable version being prepared by Cullinan Engineering for approval under the Massachusetts Subdivision Control Law, which survey and other title information relating to this and additional land, including, without limitation, additional land title information contained in the Hydro Purchase Agreement will be included in the Plan Supplement.

1.24 “*Bear Swamp Land Purchase Agreement*” shall mean the Purchase Agreement between the Debtor and the Land Buyer, which will be included in the Plan Supplement.

1.25 “*Bear Swamp Land Transfer Term Sheet*” means the term sheet with respect to the sale of the Bear Swamp Land and the assignment and transfer of related agreements, annexed hereto as Exhibit 1.25.

1.26 “*Bear Swamp Operating Agreements*” means, as amended: (i) Operating Agreement (T1), dated as of October 1, 2003, between Owner Trust No. 1, as Owner, and the Debtor, as Operator, in respect of the Bear Swamp Facility, and (ii) Operating Agreement (T2), dated as of October 1, 2003, between Owner Trust No. 2, as Owner, and the Debtor, as Operator, in respect of the Bear Swamp Facility.

1.27 “*Business Day*” means any day other than Saturday, Sunday or a “legal holiday” as such term is defined in Bankruptcy Rule 9006(a).

1.28 “*Cash*” means cash and cash equivalents in lawful currency of the United States of America, including, but not limited to, bank deposits, checks, and other similar items.

1.29 “*Catch-Up Distribution*” means a Distribution of Cash to the holder of an Allowed Class 3 Claim in the amount that such holder would have received but for such Allowed Claim having been treated as a Disputed Claim or partially Disputed Claim at the time of the Distribution(s) to certain other holders of Allowed Class 3 Claims.

1.30 “*Causes of Action*” means any and all claims, causes of action, demands, rights, actions, bills, suits, damages, injuries, remedies, accounts, powers, privileges, licenses and franchises of the Debtor of any kind or character whatsoever, known, unknown, accrued or to accrue, contingent or non-contingent, matured or unmatured, suspected or unsuspected, foreseen

or unforeseen, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity, or under any other theory of law, whether asserted or assertable directly or derivatively in law or equity or otherwise by way of claim, counterclaim, cross-claim, third party action, action for indemnity or contribution or otherwise, including, without limitation, Avoidance Actions.

1.31 “*Chapter 11 Case*” means this case (No. ØB-30465-PM) concerning the Debtor, which is being administered in the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

1.32 “*Claim*” means a claim against the Debtor, as such term is defined in section 101(5) of the Bankruptcy Code.

1.33 “*Class*” means a group of Claims or Interests as classified under the Plan.

1.34 “*Committee*” means the Official Committee of Unsecured Creditors first appointed for the Chapter 11 Case by the United States Trustee on July 17, 2003 and as amended on July 24, 2003, and as hereafter constituted.

1.35 “*Committee Proofs of Claim*” means Proofs of Claim numbered 662 and 663 filed by the Committee in the Chapter 11 case of NEGT in the Bankruptcy Court.

1.36 “*Confirmation Date*” means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the Bankruptcy Court’s docket.

1.37 “*Confirmation Hearing*” means the hearing at which the Bankruptcy Court approves the Plan and Confirmation Order.

1.38 “*Confirmation Order*” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.39 “*Creditor*” means an Entity that holds a Claim.

1.40 “*Debtor*” means USGen New England, Inc.

1.41 “*Disbursing Agent*” means the Plan Administrator or another individual or Entity retained by the Plan Administrator on or after the Effective Date to serve as an agent in connection with Distributions under the Plan pursuant to the Plan Administrator Agreement.

1.42 “*Disclosure Statement*” means the disclosure statement respecting the Plan approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.43 “*Disputed Claim*” means a Claim (or any portion thereof) as to which: (a) an objection has been timely filed, and such objection has not been: (i) withdrawn, or (ii) overruled or denied in whole by a Final Order; (b) before the deadline for an objection to the Claim to be filed, the amount of the Claim specified in the applicable proof of Claim exceeds the amount of any corresponding Claim scheduled by the Debtor in the Schedules or such Claim is scheduled as disputed, contingent or unliquidated by the Debtor; (c) there is a dispute as to classification of the Claim; (d) there is a dispute as to the appropriate estimated amount of such Claim under section 502(c) of the Bankruptcy Code; (e) the Claim is contingent or unliquidated; (f) the Claim is subject to dispute, contest, offset, setoff, recoupment, defense, or counterclaim asserted in an adversary action or contested matter before the Bankruptcy Court at the time of any Distribution pursuant to section 502(d) of the Bankruptcy Code or otherwise applicable law; or (g) the Claim is not otherwise an Allowed Claim.

1.44 “*Disputed Claims Reserve*” means the reserve established pursuant to section 7.02 of the Plan.

1.45 “*Distribution*” means the distribution of Cash from the Distribution Fund in accordance with the Plan, as well as any supplemental distributions from the Distribution Fund occurring from time to time.

1.46 “*Distribution Address*” means the last known address of a Creditor, whether derived from the Schedules, a proof of Claim filed with the Court, a notice of transfer of Claim filed pursuant to Bankruptcy Rule 3001(e), or other written notification to the Debtor concerning where a Distribution under the Plan is to be sent.

1.47 “*Distribution Date*” means the date on which a Distribution is made pursuant to this Plan to holders of Allowed Claims and Allowed Interests and includes, without limitation, the Initial Distribution Date.

1.48 “*Distribution Fund*” means the Cash available for (i) payment in accordance with the provisions of this Plan, and orders of the Bankruptcy Court entered on the docket of the Chapter 11 Case, of Allowed Administrative Claims, Allowed Fee Claims, Allowed Secured Claims, Allowed Priority Claims, Allowed Priority Tax Claims, Allowed Class 3 Claims, the Shareholder Participation, and Allowed Shareholder Interests, and (ii) funding the Administrative Reserve and the Disputed Claims Reserve.

1.49 “*Dominion*” means Dominion Energy New England, Inc.

1.50 “*DTC*” means Depository Trust Company.

1.51 “*Effective Date*” means the date the Initial Distribution Date occurs and the conditions set forth in section 10.02 of this Plan are satisfied or waived.

1.52 “*Entity*” means “entity” as defined in section 101(15) of the Bankruptcy Code.

1.53 “*Executory Contract*” means any executory contract or unexpired lease within the meaning of section 365 of the Bankruptcy Code in effect between the Debtor and another Entity as of the Petition Date.

1.54 “*Face Amount*” means, with respect to a Claim, an Administrative Claim or a Fee Claim: (a) if the holder of such Claim has not filed a proof of Claim, application, or request for payment by the applicable bar date or claim deadline and there is no Final Order fixing the allowed amount of such Claim, the amount of such Claim that is listed in the Schedules as undisputed, noncontingent and liquidated or, if no amount is listed, zero dollars (\$0); (b) if the holder of such Claim has filed a proof of Claim by the Bar Date, the liquidated amount as stated in such proof of Claim, or, if no liquidated amount is listed, then zero dollars (\$0) unless such Claim is allowed or estimated by order of the Bankruptcy Court in a different amount; (c) an amount fixed or estimated by order of the Bankruptcy Court; or (d) in all other cases, zero dollars (\$0).

1.55 “*Facility Leases*” shall have the meaning set forth in section 1.20 of this Plan.

1.56 “*Facility Site Leases*” means the following, as the same may have been amended, modified and/or supplemented: (i) Facility Site Lease Agreement (T1), dated as of November 30, 1998, between the Debtor, as Ground Lessor, and Owner Trust No. 1, as Ground Lessee, and (ii) Facility Site Lease Agreement (T2) dated as of November 30, 1998, between the Debtor, as Ground Lessor, and the Owner Trust No. 2, as Ground Lessee.

1.57 “*Fee Claim*” means any Claim against the Debtor of a professional person employed under section 327 or 1103 of the Bankruptcy Code in accordance with sections 328, 330 and/or 331 of the Bankruptcy Code.

1.58 “*FERC*” means the Federal Energy Regulatory Commission.

1.59 “*Final Order*” means an order or judgment, as entered on the docket of the applicable court, that has not been reversed, modified or amended, is not stayed and as to which

the time to appeal or to seek review or rehearing or petition for certiorari has expired without an appeal or application for review or rehearing or petition having been filed.

1.60 “*Fossil Purchase Agreement*” means that certain Asset Purchase and Sale Agreement, dated as of September 3, 2004, by and among the Debtor, USG Services Company, LLC, First Massachusetts Land Company, LLC and Dominion, as may be amended consistent with the Fossil Sale Order.

1.61 “*Fossil Sale Order*” means the Order approving the Sale Transaction between the Debtor and Dominion entered in the Chapter 11 Case on November 23, 2004 at Docket No. 1299.

1.62 “*Fossil Transaction*” means the transaction evidenced and authorized by the Fossil Purchase Agreement and the Fossil Sale Order.

1.63 “*General Unsecured Claim*” means any Claim against the Debtor, other than a Secured Claim, Administrative Claim, Fee Claim, Priority Claim, or Priority Tax Claim.

1.64 “*HSBC*” means HSBC Bank USA, National Association, as successor Lease Indenture Trustee and successor Pass Through Trustee, as defined in the Bear Swamp Documents.

1.65 “*HSBC Claim*” shall have the meaning set forth in section 5.02(A) of the Plan.

1.66 “*HSBC Credit Facility*” means that certain nonrecourse loan in the principal amount of \$20,000,000.00 made to HSBC by certain Bear Swamp Certificateholders for the purpose of, *inter alia*, preserving, protecting and realizing on the Bear Swamp Facility and for professional services.

1.67 “*Hydro Purchase Agreement*” means that certain Asset Purchase Agreement, dated as of September 29, 2004, by and among the Debtor, USG Services Company, LLC and TC, as may be amended consistent with the Hydro Sale Order.

1.68 “*Hydro Purchase Closing Date*” shall have the meaning as set forth in the Hydro Sale Order and Hydro Purchase Agreement.

1.69 “*Hydro Sale Order*” means the Order approving the Sale Transaction between the Debtor and TC entered in the Chapter 11 Case on December 16, 2004 at Docket No. 1881.

1.70 “*Hydro Transaction*” means the transaction evidenced and authorized by the Hydro Purchase Agreement and the Hydro Sale Order.

1.71 “*Impaired*” means any Class, or any Claim or Interest in a Class, that is impaired within the meaning of section 1124 of the Bankruptcy Code and shall include, without limitation, Class 3 Claims.

1.72 “*Indenture Trustee*” means the lease indenture trustee, or successors thereto, referenced in the Bear Swamp Documents, and in such capacity, is presently HSBC Bank, USA, as successor Indenture Trustee.

1.73 “*Initial Distribution Date*” means the earliest Practicable date after the Confirmation Order is entered on the docket of the Bankruptcy Court in the Chapter 11 Case and is unstayed, upon which, in the reasonable discretion of the Plan Administrator, Distribution can be made to the Allowed Class 3 Claims, paying such Claims and Post-Petition Interest (or Modified Post-Petition Interest, if applicable) thereon in accordance with the terms of this Plan.

1.74 “*Insider*” means “insider” as defined in section 101(31) of the Bankruptcy Code.

1.75 “*Interest*” means: (a) an equity interest in the Debtor, or (b) any warrant, option, or other contractual right to purchase an equity interest in the Debtor.

1.76 “*Interim Fee Order*” means the Administrative Order Establishing Procedures for Interim Compensation and Reimbursement of Professionals, which was entered in the Chapter 11 Case on July 24, 2003 at Docket No. 103.

1.77 “*Land Buyer*” means Bear Swamp Power Company LLC, and/or such other entity or entities as may be and/or must be designated by HSBC and the Owner Trusts.

1.78 “*Land Closing Date*” means in the event all conditions to the Land Transfer and closing thereon have been satisfied or have occurred, the date the Land Buyer specifies in a written request to the Debtor (such request providing for a reasonably sufficient time to accomplish closing on the Land Transfer), but in any event no later than the later to occur of (i) June 30, 2005, or (ii) five (5) business days after the Plan Administrator notifies the Land Buyer in writing that the Retained Estate has been fully administered in accordance with the terms of this Plan.

1.79 “*Land Transfer*” means the transfer of the Bear Swamp Land and the assignment of or other disposition of the Facility Site Leases, described in section 5.02(B) and (C), in Exhibit 1.25 to the Plan, and in the Plan Supplement.

1.80 “*Lien*” means “lien” as defined in section 101(37) of the Bankruptcy Code.

1.81 “*Modified Post-Petition Interest*” shall have the meaning set forth in section 10.03(A) of this Plan.

1.82 “*NEGT*” means National Energy & Gas Transmission, Inc. f/k/a PG&E National Energy Group, Inc., the Debtor’s indirect parent as of the Petition Date, and which is

the subject of a case under chapter 11 of the Bankruptcy Code in the Bankruptcy Court under Case No. 03-30459 (PM).

1.83 “*Net BSC Claim*” means the BSC Claim less the Shareholder Participation, which Net BSC Claim shall (i) be Allowed in the principal amount of \$413,000,000.00, (ii) accrue Post-Petition Interest, or Modified Post-Petition Interest, if applicable, and (iii) be divided into two (2) separate and independent Allowed Claims as set forth in section 5.02 of this Plan.

1.84 “*Net Facility Sale Proceeds*” means the Cash proceeds of the sales of the Bear Swamp Facility and the Bear Swamp Land described in section 5.02 of this Plan, net of an amount equal to all expenses of HSBC, the Owner Trusts and the Owner Participants relating to the Debtor’s Chapter 11 Case or to such sales, provided that professional fees and expenses for this purpose shall not exceed \$25,000,000.00 and shall not include any success fee, fee contingent on completion of a transaction or premium fee award, or other premium billing amount, and which expenses shall be summarized in writing to the Debtor and NEGТ. Any Cash amount released to HSBC and the Owner Trusts and/or the Owner Participants from any holdback escrow created under the relevant asset purchase agreement with the buyer of the Bear Swamp Facility shall constitute a portion of the Net Facility Sale Proceeds only at the time of release to HSBC, the Owner Trusts and/or the Owner Participants, and appropriate adjustments shall be made at such time among HSBC, the Owner Trusts, the Owner Participants, the Debtor and NEGТ to effectuate the relevant provisions of this Plan.

1.85 “*Ordinary Course Payment*” means the payment by the Debtor of a liability incurred in the ordinary course of business after the Petition Date, made as and when due, in accordance with the Debtor’s ordinary business practices.

1.86 “*Owner Participant No. 1*” means the Entity defined as Owner Participant in the T1 Participation Agreement, which presently is Bear Swamp I LLC.

1.87 “*Owner Participant No. 2*” means the Entity defined as Owner Participant in the T2 Participation Agreement, which presently is Bear Swamp II LLC.

1.88 “*Owner Participants*” means Owner Participant No. 1 and Owner Participant No. 2.

1.89 “*Owner Participants Claim*” shall have the meaning set forth in section 5.02(A) of this Plan.

1.90 “*Owner Participants/BSC Term Sheet*” means that certain term sheet containing “Settlement Terms as Between BSC and OP,” which is attached as Exhibit 1.90 to this Plan, as the same may be amended, modified or supplemented pursuant to the Plan Supplement from time to time in a manner acceptable to HSBC, the Owner Trusts and the Owner Participants, and in a manner consistent with the provisions of this Plan. Notwithstanding anything to the contrary in the Owner Participants/BSC Term Sheet, the sole parties thereto are HSBC, the Owner Participants, the Owner Trusts (solely to the extent set forth therein) and the Bear Swamp Certificateholders. The Owner Participants/BSC Term Sheet governs, among other things, the allocation of the Net BSC Claim by and among such parties.

1.91 “*Owner Trust No. 1*” means Bear Swamp Generating Trust No. 1 LLC.

1.92 “*Owner Trust No. 2*” means Bear Swamp Generating Trust No. 2 LLC.

1.93 “*Owner Trusts*” means Owner Trust No. 1 and Owner Trust No. 2.

1.94 “*Permitted Liens*,” for the purpose of the Land Transfer only, shall have the meaning set forth in the Bear Swamp Land Transfer Term Sheet (as identified in Schedule I thereto) and in the Bear Swamp Land Purchase Agreement.

1.95 “*Petition Date*” means July 8, 2003.

1.96 “*Plan*” means this first amended plan of liquidation under chapter 11 of the Bankruptcy Code (including all exhibits and schedules annexed hereto and the Plan Supplement), as the same may be altered, amended, or modified from time to time in accordance herewith (but after the Confirmation Date, such amendments or modifications being effective only if approved by order of the Bankruptcy Court).

1.97 “*Plan Administrator*” means the Entity designated by the Debtor to be the responsible officer and Plan Administrator of the Debtor pursuant to the Plan Administrator Agreement after the Effective Date, and may be the Debtor or an officer or representative of the Debtor.

1.98 “*Plan Administrator Agreement*” means that certain agreement between the Debtor, the Plan Administrator, and the Disbursing Agent relating to Plan consummation, Distributions, and Retained Estate administration, effective as of the Effective Date, and included in the Plan Supplement.

1.99 “*Plan Supplement*” means that supplement to the Plan, which shall be deemed incorporated into and a part of the Plan, filed with the Bankruptcy Court no later than ten (10) days prior to the first scheduled day of the Confirmation Hearing.

1.100 “*Post-Confirmation Administrative Bar Date*” means the date which is thirty (30) days after the Effective Date.

1.101 “*Post-Petition Interest*” means interest (in each case in respect of the portion of any Claim paid on any Distribution Date): (a) on Allowed Priority Tax Claims, accruing from the Petition Date to the Distribution Date at the rate provided by applicable state or federal law, (b) on Allowed Class 2 Priority Claims and Allowed Class 3 General Unsecured

Claims (including the Net BSC Claim, but excluding Distribution on account of the Shareholder Participation and Claims resulting from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code), accruing from the Petition Date to the Distribution Date at the simple rate of four percent (4%) per annum, (c) on Claims resulting from the rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code, accruing from the effective date of rejection pursuant to the order of the Bankruptcy Court authorizing such rejection to the Distribution Date at the simple rate of four percent (4%) per annum, or (d) at such rate and for such period of time, if any, as may otherwise be agreed between the Debtor and a Creditor whose Claim is affected thereby and as approved by order of the Bankruptcy Court.

1.102 “*Practicable*” means feasible under the circumstances, but no later than thirty (30) days after the specified date/action.

1.103 “*Pre-Confirmation Administrative Bar Date*” means the date which is thirty (30) days after the Confirmation Date.

1.104 “*Preserved Claims*” shall have the meaning set forth in section 9.04(B) of this Plan.

1.105 “*Priority Claim*” means any unsecured Claim to the extent entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code, other than an Administrative Claim or Priority Tax Claim.

1.106 “*Priority Tax Claim*” means any unsecured Claim to the extent entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

1.107 “*Purchaser*” means:

A. with respect to the Fossil Purchase Agreement, Dominion and its successors and permitted assigns; and

B. with respect to the Hydro Purchase Agreement, TC and its successors and permitted assigns.

1.108 “*Retained Estate*” means all of the property (as that term is defined in section 541(a) and (c) of the Bankruptcy Code) and assets of the Debtor, and the Cash and non-Cash proceeds thereof, of any sort, type, character or nature existing as of the Confirmation Date, including, without limitation, Sale Transaction proceeds, Cash and Causes of Action (and the proceeds thereof), all of which shall not revert in the Debtor upon Confirmation, but shall be retained in the Debtor’s bankruptcy estate, which Retained Estate shall continue until the Retained Estate’s property and assets have been entirely distributed or otherwise disposed of under the terms of this Plan and the Confirmation Order by the Plan Administrator and the Disbursing Agent.

1.109 “*Rockingham Order*” means that certain Consent Decree and Order Approving Settlement of Adversary Proceeding and Authorizing Debtor to Enter into Option Agreement in connection therewith, dated and entered on the docket of the Debtor’s Chapter 11 Case on July 23, 2004 (Docket No. 974).

1.110 “*Rockingham Option Agreement*” means that certain Option to Purchase by Debtor to the Town of Rockingham in respect of certain real and personal property of the Debtor, dated July, 2004.

1.111 “*Sale Transaction*” means, as applicable, the Fossil Transaction and/or the Hydro Transaction.

1.112 “*Schedules*” means the schedules, as may have been amended from time to time, of assets and liabilities filed by the Debtor with the Bankruptcy Court in accordance with sections 521 and 1106(a)(2) of the Bankruptcy Code.

1.113 “*Secured Claim*” means any Claim to the extent such claim constitutes a secured Claim pursuant to sections 506 or 1111(b) of the Bankruptcy Code.

1.114 “*Shareholder*” means NEGТ, the ultimate, indirect owner of the Debtor’s issued and outstanding common stock, and certain wholly owned subsidiaries of NEGТ, which indirectly and directly own such stock, as further shown on Exhibit 1.114 hereto, which is included in the Plan Supplement. NEGТ shall act on behalf of all of its subsidiaries with a direct or indirect Interest in the Debtor, as the Shareholder.

1.115 “*Shareholder Participation*” means the \$72,000,000.00 portion of the \$485,000,000.00 BSC Claim assigned to the Shareholder under section 5.02 of this Plan.

1.116 “*Shareholder Proof of Claim*” means Proof of Claim No. 406 filed by NEGТ in the Debtor’s Chapter 11 Case in the Bankruptcy Court.

1.117 “*Subject Participation Agreements*” shall have the meaning set forth in section 1.19 of this Plan.

1.118 “*Subject Indentures*” means, as supplemented: (i) Lease Indenture (T1), Mortgage and Security Agreement, dated as of November 23, 1998; and (ii) Lease Indenture (T2), Mortgage and Security Agreement dated as of November 23, 1998.

1.119 “*Tax Sharing Order*” means the Order Pursuant to Bankruptcy Rule 9019 Approving Settlement of Existing Tax Sharing Agreement Issues and Authorizing Entry Into New Tax Sharing Arrangement, which was entered in the Chapter 11 Case on June 18, 2004 at Docket No. 921.

1.120 “TC” means TransCanada Hydro Northeast, Inc.

1.121 “*Unclaimed Property*” means any Cash or other Distributable property unclaimed after the Distribution has been made in respect of a Claim. Unclaimed Property shall include: (a) checks (and the funds represented thereby) mailed to a Distribution Address and returned as undeliverable without a proper forwarding address; (b) funds for uncashed checks; and (c) checks (and the funds represented thereby) not mailed or delivered because no Distribution Address was available, notwithstanding efforts by the Debtor to locate such address which were reasonable under the circumstances.

ARTICLE II
TREATMENT OF UNCLASSIFIED CLAIMS

2.01 *Administrative Claims.* Administrative Claims are unclassified under the Plan. Each holder of an Allowed Administrative Claim shall receive: (a) to the extent not already paid in full, payment in full in Cash, as soon as Practicable after the later of the Effective Date and the date such Administrative Claim becomes an Allowed Administrative Claim; (b) to the extent not yet due and payable, payment in accordance with the terms and conditions of the particular transaction giving rise to the Administrative Claim; (c) to the extent such Claims are Administrative Claims of the United States Trustee for fees pursuant to 28 U.S.C. § 1930(a)(6), payment in full in Cash in accordance with the applicable schedule for payment of such fees; or (d) treatment on such other terms as may be mutually agreed upon in writing between the holder of such Allowed Administrative Claim and the Debtor; *provided, however*, that interim and/or final payment of Allowed Administrative Claims approved by the Bankruptcy Court shall be paid at the time of and in accordance with such Bankruptcy Court approval.

2.02 *Administrative Claim Bar Dates.*

A. *Pre-Confirmation Administrative Bar Date.* Requests for payment of Administrative Claims that have arisen or will arise in the period from the Petition Date through and including the Confirmation Date must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than the Pre-Confirmation Administrative Bar Date; *provided however*, that no request need be filed and served for Ordinary Course Payments because the Debtor will continue to pay such undisputed claims incurred in the ordinary course of business in full as and when they become due. Any Entity that is required to but fails to file such an Administrative Claim request on or before the Pre-Confirmation Administrative Bar Date **forever** shall be barred from asserting such Administrative Claim against the Debtor or the bankruptcy estate, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.

B. *Post-Confirmation Administrative Bar Date.* Requests for payment of Administrative Claims that will arise in the period from the Confirmation Date through and including the Effective Date must be filed and served pursuant to the procedures set forth in the Confirmation Order no later than the Post-Confirmation Administrative Bar Date; *provided however*, that no request need be filed and served for Ordinary Course Payments because the Debtor will continue to pay such undisputed amounts in full as and when they become due. Any Entity that is required to but fails to file such an Administrative Claim request on or before the Post-Confirmation Administrative Bar Date **forever** shall be barred from asserting such Administrative Claim against the Debtor or the bankruptcy estate, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset or recover such Administrative Claim.

2.03 *Fee Claims.* Fee Claims are unclassified under the Plan. Each holder of an Allowed Fee Claim shall receive, in Cash, to the extent not already paid, the amounts allowed by the Bankruptcy Court: (a) on or as soon as Practicable following the date upon which the Bankruptcy Court order allowing such Allowed Fee Claim is entered; or (b) upon such other terms as may be mutually agreed upon between the holder of such Allowed Fee Claim and the Debtor. Any and all parties requesting allowance and/or payment of a Fee Claim for any period ending on or before the Effective Date must file and serve final applications therefore no later than forty-five (45) days after the Effective Date or be forever barred from requesting allowance of such Fee Claims. The Interim Fee Order shall remain in effect until Final Orders have been entered on all final applications and shall govern payment of Fee Claims until the Effective Date, and without limitation, for the period between the Confirmation Date and the Effective Date.

2.04 *Priority Tax Claims.* Priority Tax Claims are unclassified under the Plan. As soon as Practicable after the later of (a) the Effective Date or (b) the date on which a Priority Tax Claim becomes an Allowed Claim, such Claim shall be paid in full in Cash and shall be entitled to applicable Post-Petition Interest.

ARTICLE III CLASSIFICATION OF CLAIMS AND INTERESTS

For purposes of the Plan, Claims are classified as follows:

3.01 “*Class 1 Claims*” shall consist of all Secured Claims against the Debtor.

3.02 “*Class 2 Claims*” shall consist of all Priority Claims against the Debtor that are not Secured Claims.

3.03 “*Class 3 Claims*” shall consist of all General Unsecured Claims.

3.04 “*Class 4 Interests*” shall consist of all Shareholder Interests.

ARTICLE IV
TREATMENT OF CLASSES OF CLAIMS AND INTERESTS

Each Allowed Claim or Interest shall receive the treatment specified below for the applicable Class in full settlement and satisfaction of all rights of the holder with respect to such Allowed Claim or Interest; *provided, however*, that the holder of such Claim or Interest may agree to in writing and receive less favorable treatment.

4.01 *Class 1 - Secured Claims.* Class 1 is not Impaired. On or as soon as Practicable after the later of: (a) the Effective Date, or (b) the date on which a Class 1 Claim becomes an Allowed Claim, the Disbursing Agent shall, at its election, either (1) pay from the Distribution Fund such Allowed Class 1 Claim in full in Cash, together with interest (unless otherwise agreed by any holder), or (2) return the collateral to the holder of such Allowed Class 1 Claim.

4.02 *Class 2 - Priority Claims.* Class 2 is not Impaired. On or as soon as Practicable after the later of: (a) the Effective Date, or (b) the date on which a Class 2 Claim becomes an Allowed Class 2 Claim, the Disbursing Agent shall pay from the Distribution Fund such Allowed Class 2 Claim in full in Cash, together with Post-Petition Interest.

4.03 *Class 3 - General Unsecured Claims.* Class 3 is Impaired. On or as soon as Practicable after the later of: (a) the Effective Date (or the Initial Distribution Date) or (b) the date any such General Unsecured Claim becomes an Allowed Class 3 Claim, the Disbursing Agent shall pay such Allowed Class 3 Claim in full in Cash, together with Post-Petition Interest or Modified Post-Petition Interest (if applicable), from the Distribution Fund, *provided, however*, that the Shareholder Participation in the BSC Claim shall not accrue or receive Post-Petition Interest or Modified Post-Petition Interest (if applicable) as provided in section 5.02 of this Plan.

4.04 *Class 4 - Interests.* Class 4 is Impaired. The Interests of the Shareholder are Allowed hereby subject to all of the other terms of this Plan. Notwithstanding any other provision of this Plan, including, without limitation, any provision of Article IX of this Plan, the Shareholder, as the members of Class 4, will continue to retain Interests on and after the Effective Date. The Shareholder shall receive, separate and apart from the Shareholder Participation, as a Distribution on account of such Interests: payment, if any, by the Disbursing Agent from the remainder of the Distribution Fund, Administrative Reserve, Disputed Claims Reserve and any other remaining Retained Estate assets after the payment in full of all Allowed Administrative Claims, Allowed Fee Claims, Allowed Priority Tax Claims, all other Allowed Claims (together with Post-Petition Interest, or Modified Post-Petition Interest, if applicable, on such Allowed Claims) and the Shareholder Participation under this Plan and subject to the terms of this Plan.

ARTICLE V
MEANS OF IMPLEMENTATION OF THE PLAN

5.01 *The Sale and Option Transactions and Distributions.*

A. *The Sale and Option Transactions.* The Debtor shall fulfill any and all remaining obligations in respect of the Sale Transactions and the Rockingham Option Agreement, subject to all of its rights and claims in respect of such Sale Transactions and the transaction evidenced by the Rockingham Option Agreement, and in respect of the Hydro Sale Order, the Fossil Sale Order, and the Rockingham Order.

B. *Distributions.* The Distributions under this Plan shall be funded on the Initial Distribution Date from the Retained Estate, and specifically, without limitation, from the proceeds of each Sale Transaction received from each of the Purchasers and/or the proceeds

of the transaction evidenced by the Rockingham Option Agreement and Rockingham Order, and from Cash on hand, net of reserves.

5.02 *Bear Swamp Compromise.*

A. *Bear Swamp Compromise, BSC Claim Allowance and Distribution.* The Bear Swamp Compromise constitutes a full and complete settlement of the disputes by and among the Debtor, the Committee, the Shareholder, HSBC, the Bear Swamp Certificateholders, the Owner Trusts and the Owner Participants relating to the Bear Swamp Adversary Proceeding and any related claims against the Debtor and NEGT by such Entities. The Plan constitutes a motion for approval of the Bear Swamp Compromise, and the Confirmation Order, subject to the occurrence of the Effective Date, shall constitute an order of the Bankruptcy Court approving the Bear Swamp Compromise as fair and equitable and within the bounds of reasonableness. The Bear Swamp Compromise shall be effective as of the Effective Date. The BSC Claim shall be Allowed hereby as of the Effective Date in the amount of \$485,000,000.00 and shall thereupon constitute an Allowed Claim for all purposes and shall not be subject to setoff or subordination or to reconsideration or modification, and any Cause of Action relating thereto shall be deemed to have been released pursuant to and subject to Article IX of this Plan. The Shareholder shall be allocated the Shareholder Participation in the BSC Claim. The Shareholder Participation shall not accrue and shall not be paid Post-Petition Interest. HSBC and the Owner Participants shall be entitled to receive the Net BSC Claim in the aggregate Allowed amount of \$413,000,000.00, and the Net BSC Claim shall be divided into two (2) separate and independent Allowed Claims between HSBC and the Owner Participants as provided in the Owner Participants/BSC Term Sheet (such separate and independent Allowed Claims shall be herein referred to respectively as the “HSBC Claim” (the Allowed Class 3 Claim

of HSBC and the Bear Swamp Certificateholders) and the “Owner Participants Claim” (the Allowed Class 3 Claim of the Owner Participants)). Distribution on the BSC Claim shall be made by the Plan Administrator on the Initial Distribution Date as part of Class 3 hereunder and: (i) allocated to the HSBC Claim and the Owner Participants Claim, and (ii) allocated on account of the Distribution on the Shareholder Participation. The Net BSC Claim shall accrue and be paid Post-Petition Interest. The Bear Swamp Certificateholders shall be entitled to vote \$323,000,000.00 of the Net BSC Claim and the Owner Participants shall be entitled to vote \$90,000,000.00 of the Net BSC Claim. The provisions of Article IX of this Plan that relate to the satisfaction of Claims against the Debtor and the releases of the Debtor, the Shareholder, HSBC, the Owner Participants, and the Bear Swamp Certificateholders form an integral part of this Bear Swamp Compromise. Distributions to the Owner Participants on the Owner Participants Claim and Distribution in respect of the Shareholder Participation shall be at all times free and clear of the lien of the Subject Indentures.

B. Land Transfer. Upon the Land Closing Date, as reflected in the Bear Swamp Land Transfer Term Sheet, the Debtor will deliver the Bear Swamp Deed in respect of the Bear Swamp Land to the Land Buyer, assume and assign the Facility Site Leases to the Land Buyer, and otherwise accomplish the Land Transfer, for \$1.00 consideration. On or prior to the Land Closing Date, each of the Debtor and the Land Buyer shall execute and deliver the Bear Swamp Land Purchase Agreement, which shall be in form and substance satisfactory to the Debtor, HSBC and the Owner Participants. Pursuant to the Confirmation Order and the Bear Swamp Land Purchase Agreement, the Bear Swamp Land will be transferred by the Debtor to the Land Buyer free and clear of Liens other than Permitted Liens and subject to applicable provisions of the Hydro Purchase Agreement and Hydro Sale Order and any other applicable

order of the Bankruptcy Court. Among other things, the Confirmation Order shall provide that the Land Buyer is a good faith purchaser and is entitled to the protections of sections 363(m) and (n) of the Bankruptcy Code. The Land Transfer shall not be subject to competitive or other bidding of any sort. The Land Transfer is an integral part of the Bear Swamp Compromise. The Land Transfer is a transfer under the Plan. Bankruptcy Code section 1146(c) shall be applicable to the Land Transfer. The Confirmation Order shall authorize the Debtor to take all reasonable action consistent with the Bear Swamp Land Purchase Agreement, and the Bear Swamp Land Transfer Term Sheet to effectuate and close upon the Land Transfer transaction.

C. Shareholder Bear Swamp Facility/Land Disposition Risk/Opportunity. If the Bear Swamp Facility and the Bear Swamp Land are transferred prior to December 31, 2005, then (i) if the Net Facility Sale Proceeds are less than \$63,000,000.00, NEGТ shall pay to HSBC and/or the Owner Participants an amount equal to ten percent (10%) of the difference between \$63,000,000.00 and the Net Facility Sale Proceeds, up to a maximum for the purposes of this calculation of \$2,300,000.00, and (ii) if the Net Facility Sale Proceeds are more than \$63,000,000.00, HSBC and/or the Owner Participants shall pay NEGТ an amount equal to ten percent (10%) of the amount in excess of \$63,000,000.00 (the allocation of each such amount, if any, between HSBC and the Owner Participants is to be governed by the Owner Participants/BSC Term Sheet).

D. Approval of Bear Swamp Compromise. The entry of the Confirmation Order on the docket of the Bankruptcy Court in the Chapter 11 Case shall constitute approval of the Bear Swamp Compromise. Upon the Confirmation Date, the Bankruptcy Court shall likewise enter on the docket of the Bear Swamp Adversary Proceeding the Bear Swamp Compromise Order approving the Bear Swamp Compromise and providing for

dismissal with prejudice of the Bear Swamp Adversary Proceeding on the Effective Date, which form of Order shall be in form and substance satisfactory to all parties to the Bear Swamp Adversary Proceeding and may be included in the Plan Supplement. Upon the Effective Date, the Bear Swamp Adversary Proceeding shall be deemed dismissed with prejudice.

5.03 *Post-Petition Interest/Modified Post-Petition Interest Compromise.* This Plan: (a) compromises any and all disputes, contests, adversary actions or proceedings, rights and liabilities by and among the Debtor, the Committee (and each member thereof), the Bear Swamp Certificateholders, the Owner Participants, the Owner Trusts, HSBC, the Shareholder, any Creditor and any other party in interest of the Debtor as to the governing rate of post-petition interest in respect of Class 3 Claims, and (b) specifically, without limitation, subject to the exceptions contained in section 1.100 of this Plan, establishes the simple, annual rate of interest of four percent (4%) to be paid on account of Allowed Class 3 Claims or the simple annual rate of interest that constitutes Modified Post-Petition Interest (if applicable) to be paid on account of Allowed Class 3 Claims. The provisions of Article IX and section 10.03(A) of this Plan that relate to the satisfaction of Claims against the Debtor form an integral part of this compromise. Upon the Effective Date, irrespective, without limitation, of the non-dischargeability of Claims against the Debtor, neither the Committee (and each member thereof), the Bear Swamp Certificateholders, the Owner Participants, the Owner Trusts, HSBC, the Shareholder, any other Creditor, nor any other party in interest may assert Claims for post-petition interest against the Debtor or the Retained Estate, except for the Post-Petition Interest factor of four percent (4%) simple, annual interest and/or any Modified Post-Petition Interest (if applicable), in the context of Distributions or against the Debtor; *provided, however*, the Shareholder shall not have any Claim for Post-Petition Interest or Modified Post-Petition Interest (if applicable) in respect of

Distributions on account of the Shareholder Participation. The entry of the Confirmation Order on the docket of the Chapter 11 Case shall be deemed to be the entry of an Order on the docket of the Chapter 11 Case approving a compromise in respect of Post-Petition Interest and Modified Post-Petition Interest (if applicable).

5.04 *Shareholder Compromise.* Distribution on the Shareholder Participation shall be made by the Disbursing Agent directly to the Shareholder on the Initial Distribution Date, as part of Distributions to Class 3 hereunder. The Shareholder Participation does not accrue and shall not be paid Post-Petition Interest. The provisions of Article IX of this Plan that relate to the satisfaction of Claims against the Debtor and the release of the Shareholder form an integral part of this compromise. Upon the Effective Date, irrespective, without limitation, of the non-dischargeability of Claims against the Debtor, neither the Debtor, the Committee (and each member thereof), the Bear Swamp Certificateholders, HSBC, the Owner Trusts, the Owner Participants, any other Creditor, nor any other party in interest may dispute, challenge, avoid, or otherwise interfere with the direct Distribution of the Shareholder Participation by the Disbursing Agent to the Shareholder or any other Distribution received by the Shareholder pursuant to this Plan. Notwithstanding the foregoing, there shall be no Distributions to the Shareholder pursuant to this Plan, other than the Distribution on account of the Shareholder Participation, unless and until all Allowed Class 3 Claims have been paid in full together with Post-Petition Interest or Modified Post-Petition Interest (if applicable) and/or all necessary and sufficient funds have been reserved, including, without limitation, to pay in full any disputed Class 3 Claim (as and when such Class 3 Claim becomes Allowed) together with Post-Petition Interest or Modified Post-Petition Interest (if applicable). The entry of the Confirmation Order on the docket of the Chapter 11 Case shall be deemed to be the entry of an Order on the docket of the Chapter 11

Case approving a compromise in respect of the Shareholder. Upon the later of the Effective Date or the Initial Distribution Date, but in no event earlier than a date following the Effective Date upon which all Allowed Class 3 Claims (as of such date) are paid in full in Cash together with Post-Petition Interest or Modified Post-Petition Interest (if applicable) and the establishment of the Disputed Claim Reserve and the Administrative Reserve, pursuant to the Confirmation Order, NEGT shall be authorized to issue a notice in its Chapter 11 case to mark the claims register in such case to (i) reflect the expungement and dismissal of the Committee Proofs of Claim with prejudice, and the Committee, as reflected in the recitals of the Confirmation Order, shall be deemed to have so agreed and (ii) reflect the expungement and dismissal, with prejudice, of the Bear Swamp Entities' Proofs of Claim, each filed against NEGT in its Chapter 11 case, and each such Entity, as reflected in the recitals of the Confirmation Order, shall be deemed to have so agreed. This notice shall have the same force and effect as an order of the Bankruptcy Court ordering the expungement and dismissal of such Claims and directing NEGT's claims agent to expunge and dismiss such Claims. Upon the later of the Effective Date or the Initial Distribution Date, but in no event earlier than a date following the Effective Date upon which all Allowed Class 3 Claims (as of such date) are paid in full in Cash together with Post-Petition Interest or Modified Post-Petition Interest (if applicable), the Shareholder Participation, and the establishment of the Disputed Claim Reserve and the Administrative Reserve, and in consideration and in exchange for the foregoing, pursuant to the Confirmation Order, the Debtor's Claims agent shall be deemed directed by the Bankruptcy Court in the Chapter 11 Case to mark the claims register in the Chapter 11 Case to reflect the expungement and the dismissal of the Shareholder Proof of Claim with prejudice, and NEGT, as reflected in the recitals of the Confirmation Order, shall be deemed to have so directed the Debtor's claims agent.

5.05 *Post-Effective Date Status and Operations of the Debtor.* On the Effective Date, the Debtor and the Plan Administrator shall execute and deliver the Plan Administrator Agreement. From and after the Effective Date, the Debtor shall continue in existence in accordance with applicable law in the jurisdiction in which it is incorporated and pursuant to its business documents, as modified by this Plan, for the purpose of: (i) managing and accomplishing its residual affairs according to applicable law; (ii) liquidating, by conversion to Cash or other methods, the remaining assets (if any) of the estate as expeditiously as reasonably possible; (iii) investing, segregating, depositing, reserving and distributing Cash; (iv) prosecuting Causes of Action and objecting to Claims; (v) resolving Disputed Claims; (vi) administering this Plan and nominating the Plan Administrator and the Disbursing Agent; and (vii) filing appropriate tax returns. Upon the Effective Date, all bylaws, articles or certificates of incorporation, and related corporate documents of the Debtor shall be deemed amended (although the Debtor and/or the Plan Administrator may so amend such corporate documents) by this Plan to permit and authorize the appointment of the Disbursing Agent, the Plan Administrator and a three (3) person Board of Directors, each Director being nominated by NEGT. The Board of Directors will be organized as of the Effective Date and its members will be identified in the Plan Supplement. Each of the Disbursing Agent and the Plan Administrator will serve in such capacity until (a) the Plan is fully administered in accordance with its terms or (b) the Plan Administrator or the Disbursing Agent resigns. If the Plan Administrator seeks to resign, such entity shall appoint a successor Plan Administrator, who shall be reasonably acceptable to NEGT, prior to resignation and such successor shall serve in accordance with the terms of this Plan and the Plan Administrator Agreement.

A. The terms of the Plan Administrator Agreement shall define the obligations, duties, compensation, required bonding, indemnifications, and exculpation of the Plan Administrator and the Disbursing Agent in full.

B. As of the Effective Date, each of the Plan Administrator and the Disbursing Agent is empowered, on behalf of the Debtor, to: (i) serve as the remaining and only responsible officer(s) of the Debtor and report to the Board of Directors; (ii) take all steps and execute all instruments and documents necessary to effectuate the terms of this Plan, including the Distributions to be made under and any disbursements in connection with this Plan; and as to the Plan Administrator specifically; (iii) cause the Disbursing Agent to make Distributions contemplated by this Plan and to establish necessary Claim Reserves and, without limitation, the Disputed Claims Reserve; (iv) comply with this Plan and its obligations; (v) employ, retain and replace professionals or entities to represent or assist the Plan Administrator with respect to such Plan Administrator's responsibilities or otherwise effectuate this Plan; (vi) compensate such professionals without further approval or order of the Bankruptcy Court; (vii) take any actions necessary to implement the terms of any prior Orders of the Bankruptcy Court in this Chapter 11 Case; (viii) file any necessary post-Confirmation reports; (ix) prosecute, dispose of and release, and/or compromise Causes of Action; (x) estimate Claims or Interests against the Retained Estate on any basis; (xi) object to or dispute Claims and Interests asserted against the Debtor and/or the Retained Estate (not previously objected to or compromised) or continue to prosecute, object, settle or compromise Claims and Interests; and (xii) exercise such other powers as may be vested in the Plan Administrator pursuant to Order of the Bankruptcy Court or pursuant to this Plan and the Plan Administrator Agreement, or as the Plan Administrator may deem necessary to carry out the provisions of this Plan, subject to applicable law. Upon the making of Distributions

on Allowed Administrative, Fee, Priority Tax, Class 1, 2 and 3 Claims, the Shareholder Participation and Class 4 Interests, the Debtor may enter into any and all transactions and take any action in accordance with all applicable law.

C. THE DEBTOR SHALL INDEMNIFY AND HOLD HARMLESS, FROM THE PROPERTY AND ASSETS OF AND MAKING UP THE RETAINED ESTATE, EACH OF THE PLAN ADMINISTRATOR, THE DISBURSING AGENT, THE MEMBERS OF THE DEBTOR'S BOARD OF DIRECTORS APPOINTED PURSUANT TO THIS PLAN, AND THEIR PROFESSIONALS, OR ANY DULY AUTHORIZED AGENT OR REPRESENTATIVE THEREOF (IN ITS CAPACITY AS SUCH) FROM AND AGAINST LIABILITIES, INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES ARISING OUT OF OR DUE TO THEIR ACTIONS OR OMISSIONS, OR CONSEQUENCES IN RESPECT OF THE DEBTOR AND PLAN IMPLEMENTATION OR CONSUMMATION, OTHER THAN ACTS ARISING FROM EACH SUCH ENTITY'S WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.

D. After the Effective Date, the Debtor shall not be required to file any document, or take any other action, to withdraw its business operation from any state in which the Debtor was previously conducting business operations. The Confirmation Order shall contain directing language to the appropriate governmental units to such effect.

5.06 *Retained Estate; No Revesting of Assets.* The property of the Debtor's estate shall not be revested in the Debtor on or after the Confirmation Date or the Effective Date, but shall remain property of the bankruptcy estate, become the Retained Estate, and continue to be subject to the jurisdiction of the Bankruptcy Court following confirmation of the Plan until

distributed to holders of Allowed Claims and Interests in accordance with the terms of the Plan and Confirmation Order on or after the Effective Date.

5.07 *Distributions With Respect to Claims of Financial Institutions.* All Distributions to be made in respect of Claims arising under revolving credit, loan, letter of credit, guaranty, and similar agreements pursuant to which a trustee or an administrative or security agent is designated to receive payments on behalf of a trust or a syndicate of lenders, shall be made to such trustee, administrative or security agent for distribution to such Entities in accordance with the applicable credit, loan, guaranty, trust or similar agreement, rather than separately to the individual Entities; *provided, however*, that the Disbursing Agent shall give such trustees, administrative or security agents, if any, at least ten (10) Business Days prior written notice of each Distribution Date; *provided, further, however*, that the Disbursing Agent shall be entitled to rely conclusively on such proofs of Claim filed by the respective trustee, administrative or security agent in the Chapter 11 Case for Distribution information (including, without limitation, participation percentages), unless the Debtor is otherwise advised by the respective administrative or security agent in a writing acceptable to the Debtor within forty five (45) days of a Distribution.

5.08 *Distributions to Bear Swamp Certificateholders*

A. Except as and to the extent otherwise required by customary procedures of the DTC with respect to the Bear Swamp Certificateholders, as of the close of business on the BSC Record Date, the various transfer and claims registers for each of the Classes of Claims as maintained by the Debtor, its agents, or HSBC shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims. The Debtor, the Disbursing Agent, and HSBC shall be entitled to recognize, and to deal with, hereunder only

those record holders stated on the transfer ledgers as of the close of business on the BSC Record Date, to the extent applicable.

B. Distributions to the Bear Swamp Certificateholders on the HSBC Claim will be made after repayment of HSBC's fees and expenses including payment or reimbursement of fees and expenses of professionals and of the HSBC Credit Facility from the proceeds of the HSBC Claim, on each Distribution Date by means of book-entry exchange through the facilities of the DTC in accordance with the customary practices of the DTC as and to the extent reasonably possible. The Confirmation Order may provide for procedures as may be necessary or appropriate to facilitate a distribution through DTC.

C. Except as expressly provided for in the Owner Participants/BSC Term Sheet, nothing herein or otherwise in this Plan shall affect the rights and obligations of each of the following Entities against one another under the Bear Swamp Documents: HSBC, the Bear Swamp Certificateholders, the Owner Participants and the Owner Trusts, including without limitation, the right of HSBC to enforce in full its charging lien against the HSBC Claim and its proceeds prior to making any distribution of funds to the Bear Swamp Certificateholders, which charging lien secures reimbursement of all of its pre-petition and post-petition fees, costs, expenses and indemnification (including the repayment in full of the HSBC Credit Facility). Accordingly, nothing herein shall be deemed to impair, waive or discharge HSBC's charging lien against the HSBC Claim and its proceeds for any fees and expenses not paid pursuant to the Bear Swamp Compromise. The HSBC charging lien may be asserted only against distributions to the Bear Swamp Certificateholders, including, without limitation, in respect of the HSBC Claim and its proceeds.

5.09 *Effectuating Documents and Further Transactions.* The Debtor and the Plan Administrator shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases and other agreements and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan. Any subordination agreement entered into prior to the Petition Date between the Debtor and parties in interest relating to Claims against the Debtor shall remain enforceable between such parties pursuant to this Plan and Bankruptcy Code section 510(a), unless otherwise expressly provided for herein, in the Plan Supplement, pursuant to any subsequent agreement between the Debtor and such parties in interest, or in any order of the Bankruptcy Court. The Debtor, the Plan Administrator, and the Disbursing Agent shall have no obligation to effectuate the enforceable terms of any such subordination agreement, unless such rights are asserted by the timely filing of a proof of claim in the Chapter 11 Case prior to the Bar Date.

5.10 *Causes of Action Remaining with Retained Estate.* Except as specifically provided in this paragraph, all of the rights of the Debtor and its estate to pursue the Causes of Action, and any defenses and counterclaims related to the Causes of Action, shall continue to remain within the Retained Estate after the Effective Date. Except as specifically provided herein, nothing contained in the Plan or the Confirmation Order shall be deemed to be a waiver or the relinquishment of any Causes of Action that the Debtor may have or may choose to assert in accordance with any provision of the Bankruptcy Code or any applicable non-bankruptcy law. The Plan Administrator shall be the sole representative of the Retained Estate with respect to the Causes of Action for purposes of section 1123(b)(3)(B) of the Bankruptcy Code and, upon the Effective Date, such Causes of Action shall be subject to the exclusive and total control and authority of the Debtor and the Plan Administrator. **ALL CAUSES OF ACTION EXCEPT**

THOSE SPECIFICALLY WAIVED, SETTLED, RELEASED, OR EXTINGUISHED PURSUANT TO THE PLAN SHALL SURVIVE THE OCCURRENCE OF THE EFFECTIVE DATE, AND THE COMMENCEMENT OR PROSECUTION OF THE CAUSES OF ACTION SHALL NOT BE BARRED OR LIMITED BY ANY ESTOPPEL, WHETHER JUDICIAL, EQUITABLE, OR OTHERWISE. IT IS NOT THE DEBTOR'S PRESENT INTENT TO PURSUE CAUSES OF ACTION.

ARTICLE VI
ACCEPTANCE OR REJECTION
OF THIS PLAN OR CONSENT TO DIFFERENT TREATMENT

6.01 *Classes of Claims Entitled to Vote; Presumed Acceptances by Unimpaired Classes.* Allowed Claims in Class 3 are Impaired under the Plan. Under section 1126(a) of the Bankruptcy Code, holders of Allowed Claims in Class 3 may vote to accept or reject the Plan. Allowed Claims in Classes 1 and 2 are not Impaired under this Plan. Therefore, under section 1126(f) of the Bankruptcy Code, holders of such Allowed Claims are conclusively presumed to accept the Plan.

6.02 *Class of Interests Entitled to Vote.* Allowed Class 4 Interests are Impaired and, therefore, pursuant to Section 1126(a) of the Bankruptcy Code are entitled to vote to accept or reject this Plan.

6.03 *Acceptance by Voting Classes of Claims and Interests.* Each holder of an Allowed Class 3 Claim, and the Shareholder, as the members of Class 4, will have accepted this Plan if it votes to accept this Plan by: (a) appropriately marking the Ballot for the Class in which such Allowed Claim or Interest is placed under this Plan, and (b) timely returning such ballot as instructed on the face thereof. Any Ballot, which is otherwise validly executed, but which does not clearly indicate acceptance or rejection of this Plan, shall be deemed to constitute a vote for

acceptance of this Plan. Any Ballot not executed in accordance with the filing instructions on the Ballot pertaining to this Plan shall not be counted for voting purposes.

6.04 *Cramdown.* If either Class 3 or Class 4 fails to accept the Plan in accordance with sections 1126 and 1129(a) of the Bankruptcy Code, the Debtor may request that the Court confirm this Plan in accordance with section 1129(b) of the Bankruptcy Code as to such Class, without the necessity of amending this Plan or providing any further notice (except that notice of such request will be provided by the Debtor to the Committee by its professionals by any means as is reasonably determined in the sole discretion of the Debtor).

ARTICLE VII
TREATMENT OF CLAIMS AND DISTRIBUTIONS UNDER PLAN

7.01 *Administrative Reserve.* On the Effective Date or as soon thereafter as Practicable, the Plan Administrator shall establish the Administrative Reserve, which shall consist of an amount of Cash projected to be necessary to satisfy the payment of professional and other fees and expenses to be incurred by the Debtor or Plan Administrator in implementing and consummating the terms of the Plan, winding up the affairs of the Debtor, and otherwise completing the tasks necessary to close the Chapter 11 Case. The Plan Administrator may from time to time and in its sole discretion decrease or increase the Administrative Reserve by transferring funds to or from the Distribution Fund, the Disputed Claims Reserve (after settlement), or the proceeds of the Causes of Action. No Distribution shall be made to the Shareholder, apart from or in addition to the Shareholder Participation, unless and until the Administrative Reserve has been funded with an amount adequate to pay professional and other fees and expenses to be incurred by the Debtor or Plan Administrator in implementing and consummating the terms of the Plan, winding up the affairs of the Debtor, and otherwise completing the tasks necessary to close the Chapter 11 Case.

7.02 *Disputed Claims Reserve.*

A. *Establishment of Disputed Claims Reserve.* On the Effective Date or as soon thereafter as Practicable, the Plan Administrator shall establish the Disputed Claims Reserve, which shall consist of an amount of Cash necessary to satisfy any Distributions that would be made to holders of Disputed Claims in Class 3 if such Claims were to become Allowed Claims.

B. *Distributions Upon Allowance of Disputed Claims.* With respect to any Disputed Claim in Class 3 that subsequently becomes an Allowed Claim in Class 3 pursuant to a Final Order, the Disbursing Agent shall pay such Allowed Class 3 Claim its Catch Up Distribution in full from the Disputed Claims Reserve. Upon funding of the Disputed Claims Reserve with an amount adequate to pay Disputed Claims with Post-Petition Interest or Modified Post-Petition Interest (if applicable) through the Distribution Date, the Disbursing Agent may make a partial Distribution to the Shareholder, apart from and in addition to the Shareholder Participation.

7.03 *Miscellaneous Distribution Provisions.*

A. *Unclaimed Property.* If a Distribution under the Plan remains unclaimed four (4) months following the date of such Distribution, then the holder of the applicable Allowed Claim shall cease to be entitled to such Distribution and such Distribution shall be transferred to the Administrative Reserve or otherwise distributed in accordance with the terms of this Plan.

B. *Method of Cash Distributions.* Any Cash Distribution to be made pursuant to the Plan may be made by draft, check, wire transfer, or as otherwise required or provided in any relevant agreement or applicable law. Cash payments made pursuant to this Plan

shall be in good currency and funds of the United States of America, by the means agreed to by the payor and the payee, including by check or wire transfer, or in the absence of an agreement, by such commercially reasonable manner as the payor shall determine in its sole discretion.

C. *Distributions on Non-Business Days.* Any payment or Distribution due on a day other than a Business Day shall be made on the next Business Day.

D. *No Distribution in Excess of Allowed Amount of Claim.* Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall receive, respecting such Claim, any Distribution (of a value set forth herein) in excess of the Allowed amount of such Claim, together with Post-Petition Interest where applicable.

E. *Disputed Payments.* If any dispute arises as to the identity of the holder of an Allowed Claim entitled to receive any Distribution under the Plan, the Disbursing Agent, in its sole discretion, may retain such Distribution until its disposition is determined by a Final Order or written agreement among the interested parties to such dispute and withhold from such Distribution an amount equal to the fees and costs incurred in resolving such dispute. No holder of an Allowed Claim or an Allowed Interest in respect of such Claim or Interest shall have any rights under section 502(j) of the Bankruptcy Code.

F. *De Minimis Distributions.* No Cash payment of less than \$50.00 shall be required to be made to the holder of any Claim.

G. *Withholding Taxes.* Any federal or state withholding taxes or other amounts required to be withheld under any applicable law shall be deducted and withheld from any Plan Distributions. In order to receive a Distribution, each holder of an Allowed Claim must provide the Debtor with a tax identification number (and/or other information required under

applicable law). The Debtor shall otherwise comply, to the extent applicable, with all tax withholding and reporting requirements imposed under applicable law.

7.04 *Objections to Claims.* Except as otherwise set forth in the Plan and unless otherwise ordered by the Bankruptcy Court, all objections to Claims shall be filed with the Bankruptcy Court and served on the applicable claimant on or prior to sixty (60) days after the later of: (a) the Effective Date; and (b) the date a Claim is filed with the Bankruptcy Court and served on counsel for the Debtor or the Plan Administrator, as applicable. The Plan Administrator, before or after such deadline, may as of right, by motion to the Bankruptcy Court, extend such deadline to object to Claims.

7.05 *Settlement of Claims.* Subsequent to the Effective Date, the Plan Administrator shall have the authority to resolve any Disputed Claim for an Allowed Claim subject only to the filing of a notice of such settlement with the Bankruptcy Court and serving such notice upon the Shareholder. Any such settlement shall be binding under the Plan and upon all parties in interest in the Chapter 11 Case.

7.06 *Setoff and Recoupment.* Except as otherwise provided by this Plan, the Plan Administrator, acting on behalf of the Debtor, may but shall not be required to, set off or recoup against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Claim claims of any nature that the Debtor may have against the holder of such Allowed Claim; *provided, however*, that neither the failure to effect such a setoff or recoupment nor the allowance of any Claim against the Debtor shall constitute a waiver or release by the Plan Administrator of any claim that the Debtor may possess against such holder.

ARTICLE VIII
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

8.01 *Rejection.*

A. *Leases and Contracts to be Rejected.* On the Effective Date, the Debtor, pursuant to section 365 of the Bankruptcy Code, shall be deemed to have rejected all of its Executory Contracts except those that: (i) are the subject of motions to assume or reject pending on the Effective Date, including, without limitation, in respect of the Fossil Transaction, the Hydro Transaction and/or the Rockingham Option Agreement transaction; (ii) were assumed or rejected before the Effective Date; (iii) have been or will be assumed and assigned on the Hydro Purchase Closing Date pursuant to the Hydro Purchase Agreement and the Hydro Sale Order and/or assumed and assigned pursuant to the Rockingham Option Agreement and the Rockingham Order; or (iv) will be assigned pursuant to the Land Transfer transaction *provided, however,* that the Debtor shall not be required to assume or reject any Executory Contract with any party that is a debtor under the Bankruptcy Code unless and until such contract or lease has been assumed or rejected by such other party.

B. *Deadline to File Rejection Damage Claims.* Each Entity who is a party to a contract or lease rejected under the Plan must file with the Bankruptcy Court and serve on the Debtor's attorneys, not later than sixty (60) days after the Effective Date, a proof of Claim for damages alleged to arise from the rejection of the applicable contract or lease or be forever barred from filing a Claim and will not receive a Distribution related to such alleged rejection damages.

C. *Interest.* A Claim for damages resulting from the rejection of an Executory Contract shall be entitled to Post-Petition Interest or Modified Post-Petition Interest (if applicable) unless otherwise agreed in writing by the parties to such Executory Contract or as ordered by the Bankruptcy Court.

8.02 *Assumption.* The Debtor is assuming only those Executory Contracts as contemplated by or related to the Hydro Purchase Agreement, the Fossil Purchase Agreement, the Rockingham Option Agreement, and the Bear Swamp Land Purchase Agreement. Such assumed Executory Contracts will be assumed and assigned to the respective Purchaser pursuant to the terms of the Fossil Sale Order, the Hydro Sale Order, the Fossil Purchase Agreement, the Hydro Purchase Agreement, the Rockingham Option Agreement, the Rockingham Order, the Bear Swamp Land Purchase Agreement and the Confirmation Order.

ARTICLE IX
RELEASE, INDEMNIFICATION,
ABANDONMENT, AND SETTLEMENT OF CLAIMS

9.01 *Discharge.* Pursuant to section 1141(d)(3) of the Bankruptcy Code, confirmation of this Plan will not discharge the Debtor; *provided, however,* upon confirmation of the Plan, the occurrence of the Effective Date and Distributions hereunder, Creditors may not seek payment or recourse against or otherwise be entitled to any Distribution from the assets of the Retained Estate except as expressly provided in this Plan.

9.02 *Satisfaction.* **UPON FULL DISTRIBUTION WITH POST-PETITION INTEREST OR MODIFIED POST-PETITION INTEREST (IF APPLICABLE) HEREUNDER IN RESPECT OF ANY ALLOWED CLASS 3 CLAIM INCLUDING, WITHOUT LIMITATION, THE NET BSC CLAIM, THE HSBC CLAIM, AND THE OWNER PARTICIPANTS CLAIM, AND UPON THE DISTRIBUTION ON ACCOUNT OF THE SHAREHOLDER PARTICIPATION, ANY SUCH ALLOWED AND PAID CLASS 3 CLAIMS SHALL BE DEEMED SATISFIED IN FULL. NOTWITHSTANDING THE FOREGOING AND THE DISTRIBUTIONS ON ACCOUNT OF THE SHAREHOLDER PARTICIPATION, THE ALLOWED CLASS 4**

INTERESTS SHALL NOT BE CANCELED OR RELEASED BY VIRTUE OF SUCH DISTRIBUTION OR THE APPLICATION OF THIS SECTION OF THIS PLAN.

9.03 *Injunction.* GIVEN THE PLAN'S PROVISION FOR THE PAYMENT IN FULL OF CLASS 3 CLAIMS, TOGETHER WITH POST-PETITION INTEREST OR MODIFIED POST-PETITION INTEREST (IF APPLICABLE), AND IN LIGHT OF THE COMPROMISES CONTAINED IN ARTICLE V HEREOF AND OTHERWISE IN THIS PLAN, THIS PLAN PROVIDES AND THE CONFIRMATION ORDER SHALL PROVIDE, AMONG OTHER THINGS, THAT ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS AGAINST OR INTERESTS IN THE DEBTOR, THE DEBTOR'S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE, OR AGAINST HSBC, THE BEAR SWAMP CERTIFICATEHOLDERS, THE OWNER TRUSTS, OR THE OWNER PARTICIPANTS ON ACCOUNT OF CLAIMS, IF ANY, FOR WHICH THE DEBTOR IS DIRECTLY OR INDIRECTLY LIABLE BY WAY OF CONTRIBUTION, INDEMNITY OR OTHERWISE, ARE, FROM AND AFTER THE EFFECTIVE DATE, WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS, PERMANENTLY ENJOINED FROM AND AFTER THE EFFECTIVE DATE FROM TAKING ANY OF THE FOLLOWING ACTIONS (OTHER THAN ACTIONS TO ENFORCE ANY RIGHTS OR OBLIGATIONS UNDER THE PLAN OR TO DEFEND CHALLENGES TO THE VALIDITY OR AMOUNT OF THEIR CLAIMS): (I) ASSERTING, COMMENCING, CONDUCTING, OR CONTINUING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY SUIT, ACTION OR OTHER PROCEEDING OF ANY KIND (INCLUDING, WITHOUT LIMITATION, ANY PROCEEDING IN A JUDICIAL, ARBITRAL, ADMINISTRATIVE OR OTHER

FORUM) AGAINST OR AFFECTING THE DEBTOR, THE DEBTOR'S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE, OR AGAINST HSBC, THE BEAR SWAMP CERTIFICATEHOLDERS, THE OWNER TRUSTS, OR THE OWNER PARTICIPANTS ON ACCOUNT OF CLAIMS, IF ANY, FOR WHICH THE DEBTOR IS DIRECTLY OR INDIRECTLY LIABLE BY WAY OF CONTRIBUTION, INDEMNITY OR OTHERWISE; (II) ENFORCING, LEVYING, ATTACHING (INCLUDING, WITHOUT LIMITATION, ANY PREJUDGMENT ATTACHMENT), COLLECTING OR OTHERWISE RECOVERING BY ANY MANNER OR MEANS, WHETHER DIRECTLY OR INDIRECTLY, ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST THE DEBTOR, THE DEBTOR'S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE; (III) CREATING, PERFECTING OR OTHERWISE ENFORCING IN ANY MANNER, DIRECTLY OR INDIRECTLY, ANY LIEN OF ANY KIND AGAINST THE DEBTOR, THE DEBTOR'S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE, OR AGAINST HSBC, THE BEAR SWAMP CERTIFICATEHOLDERS, THE OWNER TRUSTS, OR THE OWNER PARTICIPANTS ON ACCOUNT OF CLAIMS, IF ANY, FOR WHICH THE DEBTOR IS DIRECTLY OR INDIRECTLY LIABLE BY WAY OF CONTRIBUTION, INDEMNITY OR OTHERWISE; (IV) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND, DIRECTLY OR INDIRECTLY, AGAINST ANY OBLIGATION DUE TO THE DEBTOR, THE DEBTOR'S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE, OR AGAINST HSBC, THE BEAR SWAMP CERTIFICATEHOLDERS, THE OWNER TRUSTS, OR THE OWNER PARTICIPANTS ON ACCOUNT OF CLAIMS, IF ANY, FOR WHICH THE DEBTOR IS DIRECTLY OR

INDIRECTLY LIABLE BY WAY OF CONTRIBUTION, INDEMNITY OR OTHERWISE; (V) ACTING OR PROCEEDING IN ANY MANNER, IN ANY PLACE WHATSOEVER, THAT DOES NOT CONFORM TO OR COMPLY WITH THE PROVISIONS OF THE PLAN; AND (VI) PROSECUTING OR OTHERWISE ASSERTING ANY RIGHT, CLAIM OR CAUSE OF ACTION RELEASED PURSUANT TO THE PLAN. ANY ENTITY INJURED BY ANY WILLFUL VIOLATION OF SUCH INJUNCTION SHALL RECOVER ACTUAL DAMAGES, INCLUDING COSTS AND ATTORNEYS' FEES, AND, IN APPROPRIATE CIRCUMSTANCES, MAY RECOVER PUNITIVE DAMAGES, FROM THE WILLFUL VIOLATOR(S). A CREDITOR THAT ACCEPTS A DISTRIBUTION UNDER THE PLAN IN RESPECT OF ITS CLAIMS WILL BE DEEMED TO HAVE SPECIFICALLY CONSENTED TO THE INJUNCTION(S) CONTAINED IN THE PLAN. NOTWITHSTANDING THE FOREGOING, ALL HOLDERS OF DISPUTED CLAIMS ARE NOT ENJOINED FROM AND SHALL RETAIN ALL RIGHTS TO DEFEND OR PROSECUTE SUCH CLAIMS IN THE BANKRUPTCY COURT, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO ASSERT AFFIRMATIVE DEFENSES, SETOFF AND RECOUPMENT, IF APPLICABLE.

9.04 *Bear Swamp and Shareholder Compromise Release.*

A. *Definitions.* FOR PURPOSES OF SECTION 9.04(B): THE BEAR SWAMP CERTIFICATEHOLDERS, HSBC, THE OWNER PARTICIPANTS, THE OWNER TRUSTS, WILMINGTON TRUST COMPANY, AND THE RESPECTIVE REPRESENTATIVES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF EACH OF THE FOREGOING, WHETHER AS OWNER OR OPERATOR

OF THE BEAR SWAMP FACILITY OR THE BEAR SWAMP LAND, OR OTHERWISE, WHETHER KNOWN OR UNKNOWN, SHALL BE KNOWN COLLECTIVELY AS “THE BEAR SWAMP RELEASING PARTIES”; AND THE DEBTOR, THE DEBTOR’S BANKRUPTCY ESTATE, THE RETAINED ESTATE, THE SHAREHOLDER, THE COMMITTEE AND ITS MEMBERS (OTHER THAN HSBC AND THE OWNER TRUST NO. 1), AND THE RESPECTIVE REPRESENTATIVES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF EACH OF THE FOREGOING, WHETHER AS OWNER OR OPERATOR OF THE BEAR SWAMP FACILITY OR THE BEAR SWAMP LAND, OR OTHERWISE, WHETHER KNOWN OR UNKNOWN, SHALL BE KNOWN COLLECTIVELY AS “THE DEBTOR/NEGT RELEASING PARTIES”. FOR PURPOSES OF SECTION 9.04(C): THE BEAR SWAMP CERTIFICATEHOLDERS, THE OWNER PARTICIPANTS, THE OWNER TRUSTS, WILMINGTON TRUST COMPANY, HSBC, THE COMMITTEE ON BEHALF OF ITSELF AND THE DEBTOR’S CREDITORS, THE DEBTOR, THE DEBTOR’S BANKRUPTCY ESTATE, AND THE RETAINED ESTATE (IF APPLICABLE), EACH COMMITTEE MEMBER, AND THE RESPECTIVE REPRESENTATIVES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF EACH OF THE FOREGOING, WHETHER KNOWN OR UNKNOWN, SHALL BE KNOWN AS THE “USGEN RELEASING PARTIES;” NEGT, EACH OTHER SHAREHOLDER, AND THE RESPECTIVE REPRESENTATIVES, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF EACH OF THE FOREGOING, WHETHER KNOWN OR UNKNOWN, SHALL BE KNOWN AS THE “SHAREHOLDER RELEASING PARTIES.”

B. *Bear Swamp Compromise Release.* UPON THE EFFECTIVE DATE, EXCEPT AS EXPRESSLY SET FORTH IN THE PLAN, INCLUDING, WITHOUT LIMITATION, SECTION 5.02 HEREOF, EACH OF THE BEAR SWAMP RELEASING PARTIES ON THE ONE HAND, DO HEREBY WAIVE, RELEASE AND ACQUIT EACH OF THE DEBTOR/NEGT RELEASING PARTIES ON THE OTHER HAND, AND EACH OF THE DEBTOR/NEGT RELEASING PARTIES ON THE ONE HAND, DO HEREBY WAIVE, RELEASE, AND ACQUIT EACH OF THE BEAR SWAMP RELEASING PARTIES ON THE OTHER HAND, FROM ANY AND ALL LIABILITIES, CLAIMS, EQUITY, INTERESTS, RIGHTS, FEES, LIENS, ENCUMBRANCES AND CHARGES, WHETHER KNOWN OR UNKNOWN, EXISTING OR HEREAFTER ARISING, SECURED OR UNSECURED, CONTINGENT OR FIXED, LIQUIDATED OR UNLIQUIDATED, IRRESPECTIVE OF WHETHER SUCH LIABILITIES, CLAIMS, EQUITY, INTERESTS, RIGHTS, FEES, LIENS, ENCUMBRANCES AND CHARGES ARE NON-DISCHARGEABLE AS TO THE DEBTOR, ARISING FROM AND RELATING TO THE BEAR SWAMP FACILITY, THE BEAR SWAMP LAND, THE BEAR SWAMP ADVERSARY PROCEEDING, THE BEAR SWAMP DOCUMENTS, THE BEAR SWAMP ENTITIES' PROOFS OF CLAIM, AND THE TRANSACTIONS EVIDENCED THEREBY, AND ANY ACTS, OMISSIONS, OR CIRCUMSTANCES RELATING THERETO, FROM THE BEGINNING OF THE WORLD THROUGH THE EFFECTIVE DATE; *PROVIDED, HOWEVER, THAT: (I) ALLOWED CLASS 4 SHAREHOLDER INTERESTS SHALL NOT BE AFFECTED HEREBY AND SHALL NOT BE CANCELED OR RELEASED, AND (II) THE BEAR SWAMP RELEASING PARTIES SHALL RETAIN, SEPARATE AND APART FROM*

THIS RELEASE, THE FOLLOWING CLAIMS AFTER THE CONFIRMATION DATE:

(AA) CLAIMS THEY MAY HAVE AGAINST THE DEBTOR FOR INDEMNITIES UNDER SECTIONS 10.1 AND 10.2 OF THE SUBJECT PARTICIPATION AGREEMENTS (BUT AS TO SUCH SECTION 10.2, SOLELY WITH RESPECT TO FEES, TAXES, LEVIES, ASSESSMENTS, AND OTHER CHARGES AND IMPOSITIONS (COLLECTIVELY, “TAXES”) THAT ARE IN THE NATURE OF SALES, USE, RENTAL, LICENSE, VALUE ADDED, EXCISE, REGISTRATION, FILING, STAMP OR PROPERTY TAXES, IN EACH CASE TOGETHER WITH ALL INTEREST, PENALTIES, AND ADDITIONS TO TAX THEREON) FOR CLAIMS ASSERTED (WHETHER OR NOT IN A FORMAL PROCEEDING) BY ENTITIES OTHER THAN ANY BEAR SWAMP RELEASING PARTY AND ANY OTHER PRESENT OR FUTURE OWNER OR OPERATOR OF THE BEAR SWAMP FACILITY OR THE BEAR SWAMP LAND, OR WITH RESPECT TO INDEMNITY CLAIMS UNDER SECTION 10.2 OF THE SUBJECT PARTICIPATION AGREEMENTS, BY ANY GOVERNMENTAL AUTHORITY, BUT SOLELY WITH RESPECT TO CLAIMS, IF ANY, REFERRED TO IN SUBPART (AA) IMMEDIATELY ABOVE, IF ARISING OUT OF THE DEBTOR’S USE, OPERATION, POSSESSION, OR OWNERSHIP OF THE BEAR SWAMP FACILITY OR THE BEAR SWAMP LAND THROUGH AND INCLUDING THE EFFECTIVE DATE (COLLECTIVELY, THE “PRESERVED CLAIMS”); *PROVIDED, HOWEVER,* THAT (X) PRESERVED CLAIMS IF ANY, (1) MUST BE SPECIFIC AND KNOWN AND CANNOT BE ASSERTED BY THE BEAR SWAMP RELEASING PARTIES AGAINST THE DEBTOR, THE DEBTOR’S BANKRUPTCY ESTATE, OR THE RETAINED ESTATE ON A DEFENSIVE, NON-

SPECIFIC BASIS AND IN RESPECT OF PRESERVED CLAIMS ARISING BY WAY OF INDEMNITY, MUST RELATE TO AN ACTUALLY ASSERTED (WHETHER OR NOT IN A FORMAL PROCEEDING), UNDERLYING, KNOWN AND SPECIFIC CLAIM AGAINST THE BEAR SWAMP RELEASING PARTIES OR THE DEBTOR, (2) MUST BE ASSERTED BY DETAILED NOTICE TO THE DEBTOR AND, IF APPLICABLE, THE PLAN ADMINISTRATOR IN THE FORM OF PROOF OF CLAIM AUTHORIZED FOR USE BY THE BAR DATE ORDER, WHICH NOTICE MUST BE SERVED ON THE DEBTOR, AND/OR IF APPLICABLE, THE PLAN ADMINISTRATOR, AND FILED IN THE BANKRUPTCY COURT AS SOON AS PRACTICABLE AFTER THE UNDERLYING CLAIM IS ACTUALLY ASSERTED (WHETHER OR NOT IN A FORMAL PROCEEDING) AGAINST A BEAR SWAMP RELEASING PARTY OR THE DEBTOR, BUT IN ANY EVENT, NO LATER THAN TEN (10) DAYS PRIOR TO ANY PROPOSED EFFECTIVE DATE SO LONG AS THE DEBTOR AND/OR THE PLAN ADMINISTRATOR, IF APPLICABLE, HAS PROVIDED HSBC AND THE OWNER PARTICIPANTS WITH NO MORE THAN TWENTY FIVE (25) DAYS' AND NO LESS THAN FIFTEEN (15) DAYS' PRIOR WRITTEN NOTICE OF SUCH PROPOSED EFFECTIVE DATE (IF THIS NOTICE IS NOT GIVEN WITHIN THIS TIME FRAME AND THE EFFECTIVE DATE OCCURS, THEN SUCH CLAIMS MUST BE ASSERTED BY DETAILED NOTICE TO THE DEBTOR IN THE FORM OF PROOF OF CLAIM AUTHORIZED FOR USE BY THE BAR DATE ORDER, WHICH NOTICE MUST BE SERVED ON THE PLAN ADMINISTRATOR AND FILED IN THE BANKRUPTCY COURT NO LATER THAN FIFTEEN (15) DAYS AFTER THE EFFECTIVE DATE), AND, (3) IF ASSERTED IN

COMPLIANCE HEREWITH, MAY BE ESTIMATED FOR DISTRIBUTION PURPOSES BY AGREEMENT BY AND AMONG THE DEBTOR OR THE PLAN ADMINISTRATOR (IF APPLICABLE), HSBC, AND THE OWNER PARTICIPANTS, OR, IN THE EVENT OF DISAGREEMENT, BY THE BANKRUPTCY COURT, AND (Y) PRESERVED CLAIMS SET FORTH IN CLAUSE (AA) OF 9.04(B), IF ANY, IF NOT ASSERTED IN COMPLIANCE THEREWITH AND, WITHOUT LIMITATION, ON A TIMELY BASIS THEREUNDER, WILL NOT SURVIVE THE OCCURRENCE OF THE EFFECTIVE DATE AND WILL BE RELEASED HEREUNDER ON THE EFFECTIVE DATE; AND (BB) CLAIMS, IF ANY, THAT THE BEAR SWAMP RELEASING PARTIES MAY HAVE IN RESPECT OF THE DEBTOR UNDER THE BEAR SWAMP OPERATING AGREEMENTS; *PROVIDED HOWEVER*, THAT ANY SUCH CLAIMS UNDER OR IN RESPECT OF THE BEAR SWAMP OPERATING AGREEMENTS MUST BE BASED ON ACTIONS, EVENTS OR CONDITIONS OCCURRING OR EXISTING ON OR BEFORE MARCH 30, 2005 AND ANY SUCH CLAIMS MUST BE FILED AND SERVED AS REQUIRED BY THIS PLAN, THE CONFIRMATION ORDER, THE PRE-CONFIRMATION ADMINISTRATIVE BAR DATE, OR THE POST-CONFIRMATION ADMINISTRATIVE BAR DATE (AS APPLICABLE). OTHER THAN AMOUNTS OWED BY THE DEBTOR TO FERC, NEITHER THE DEBTOR/NEGT RELEASING PARTIES NOR THE BEAR SWAMP RELEASING PARTIES ARE AWARE OF ANY FACTS OR CIRCUMSTANCES AS OF FEBRUARY 17, 2005 THAT WOULD REASONABLY BE EXPECTED TO GIVE RISE TO PRESERVED CLAIMS. EACH OF THE DEBTOR, HSBC AND THE OWNER PARTICIPANTS SHALL USE BEST EFFORTS TO REPORT TO EACH OTHER ON

THE ASSERTION OF ANY PRESERVED CLAIM AS SOON AS PRACTICABLE. ON THE CONFIRMATION DATE AND TEN (10) DAYS PRIOR TO THE PROPOSED OCCURRENCE OF THE EFFECTIVE DATE, EACH OF THE DEBTOR (OR THE PLAN ADMINISTRATOR, IF APPLICABLE), HSBC AND THE OWNER PARTICIPANTS SHALL CERTIFY TO EACH OTHER IN RESPECT OF THE KNOWN EXISTENCE OR OCCURRENCE OF ANY PRESERVED CLAIMS ON A NOTICE BASIS WITHOUT ANY REQUIREMENT OF DUE DILIGENCE OR AUDIT. WITHOUT LIMITING THE EFFECT OF THE FOREGOING PROVISIONS, ANY OTHER CLAIMS THE BEAR SWAMP RELEASING PARTIES HAVE OR MAY HAVE IN THE FUTURE IN RESPECT OF THE BEAR SWAMP ADVERSARY PROCEEDING, THE BEAR SWAMP ENTITIES' PROOFS OF CLAIM, AND THE BEAR SWAMP DOCUMENTS (AND THE TRANSACTIONS EVIDENCED THEREBY AND/OR ANY OTHER BASIS), INCLUDING, WITHOUT LIMITATION, CLAIMS BASED ON THE REJECTION, TERMINATION, OR BREACH OF THE BEAR SWAMP DOCUMENTS (AND SPECIFICALLY, WITHOUT LIMITATION, INDEMNITY CLAIMS BASED ON OR RELATING TO SUCH REJECTION, TERMINATION, OR BREACH), ARE HEREBY RELEASED ON THE EFFECTIVE DATE. NOTWITHSTANDING THE FOREGOING, NOTHING HEREIN SHALL IMPAIR ANY RIGHT THAT THE BEAR SWAMP RELEASING PARTIES MAY HAVE TO RECOVER CLAIMS FROM THE DEBTOR'S INSURERS PURSUANT TO THE DEBTOR'S INSURANCE POLICIES MAINTAINED PURSUANT TO THE BEAR SWAMP DOCUMENTS. NOTHING CONTAINED HEREIN SHALL BE DEEMED TO CONSTITUTE A RELEASE BY ANY

ENTITY OF A CLAIM, IF ANY, ARISING FROM, RELATING TO, OR IN CONNECTION WITH THE ATTALA GENERATING FACILITY.

C. *Shareholder Compromise Release.* UPON THE EFFECTIVE DATE, EXCEPT AS EXPRESSLY SET FORTH IN THE PLAN, INCLUDING, WITHOUT LIMITATION, SECTION 5.04 THEREOF, EACH OF THE USGEN RELEASING PARTIES ON THE ONE HAND DO HEREBY WAIVE, RELEASE, AND ACQUIT EACH OF THE SHAREHOLDER RELEASING PARTIES ON THE OTHER HAND, AND EACH OF THE SHAREHOLDER RELEASING PARTIES ON THE ONE HAND DO HEREBY WAIVE, RELEASE, AND ACQUIT EACH OF THE USGEN RELEASING PARTIES ON THE OTHER HAND, FROM ANY AND ALL LIABILITIES, CLAIMS, EQUITY, INTERESTS, RIGHTS, FEES, LIENS, ENCUMBRANCES AND CHARGES, WHETHER KNOWN OR UNKNOWN, EXISTING OR HEREAFTER ARISING, SECURED OR UNSECURED, CONTINGENT OR FIXED, LIQUIDATED OR UNLIQUIDATED, IRRESPECTIVE OF WHETHER SUCH LIABILITIES, CLAIMS, EQUITY, INTERESTS, RIGHTS, FEES, LIENS, ENCUMBRANCES AND CHARGES ARE NON-DISCHARGEABLE AS TO THE DEBTOR, ARISING FROM AND RELATING TO THE COMMITTEE PROOFS OF CLAIM, THE BEAR SWAMP ENTITIES' PROOFS OF CLAIM, AND THE SHAREHOLDER PROOF OF CLAIM, TRANSFERS BETWEEN THE DEBTOR AND NEGT, TRANSFERS BETWEEN THE DEBTOR AND THE SHAREHOLDER, DEBTOR/SHAREHOLDER DIVIDENDS (IF ANY), THE DEBTOR'S, NEGT'S OR THE SHAREHOLDER'S SOLVENCY PRIOR TO THE PETITION DATE, AND ANY ACTS, OMISSIONS, OR CIRCUMSTANCES RELATING THERETO FROM THE

BEGINNING OF THE WORLD THROUGH THE EFFECTIVE DATE; PROVIDED, HOWEVER, THAT (I) ALLOWED CLASS 4 SHAREHOLDER INTERESTS SHALL NOT BE AFFECTED THEREBY AND SHALL NOT BE CANCELED OR RELEASED, (II) PRESERVED CLAIMS AND CLAIMS IN RESPECT OF THE BEAR SWAMP OPERATING AGREEMENTS REFERRED TO IN SECTION 9.04(B)(II)(BB) OF THIS PLAN SHALL NOT BE RELEASED BY APPLICATION OF THIS SECTION 9.04(C) OF THIS PLAN, AND (III) NOTHING CONTAINED HEREIN SHALL BE DEEMED TO CONSTITUTE A RELEASE BY ANY ENTITY OF A CLAIM, IF ANY, ARISING FROM, RELATING TO, OR IN CONNECTION WITH THE ATTALA GENERATING FACILITY.

9.05 *Tax Sharing Order Reservation.* Notwithstanding anything else contained in this Plan, including, without limitation, in section 9.05 hereof, the terms of the Tax Sharing Order shall remain in full force and effect after the Effective Date.

9.06 *Debtor Related Entity Release.* The following release shall be valid, binding, and enforceable:

AS OF THE CONFIRMATION DATE, BUT SUBJECT TO THE OCCURRENCE OF THE EFFECTIVE DATE: (a) THE DEBTOR'S DIRECTORS AND OFFICERS AS OF THE EFFECTIVE DATE (EACH IN THEIR CAPACITY AS SUCH); (b) THE COMMITTEE, ITS MEMBERS, AND PROFESSIONALS (EACH IN THEIR CAPACITY AS SUCH); (c) FORMER DIRECTORS AND OFFICERS (EACH IN THEIR CAPACITY AS SUCH) WHO HELD SUCH POSITIONS WITH THE DEBTOR ON OR AFTER JULY 8, 2003; AND (d) AGENTS, ATTORNEYS, ADVISORS, FINANCIAL ADVISORS, INVESTMENT BANKERS AND EMPLOYEES OF THE DEBTOR (EACH

IN THEIR CAPACITY AS SUCH), SHALL NOT HAVE OR INCUR ANY LIABILITY TO ANY ENTITY FOR ANY CLAIM, OBLIGATION, RIGHT, CAUSE OF ACTION OR LIABILITY (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS ARISING OUT OF ANY ALLEGED FIDUCIARY OR OTHER DUTY OR THE AVOIDANCE OF PREFERENCES OR FRAUDULENT TRANSFERS OR CONVEYANCES) WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, BASED IN WHOLE OR IN PART ON ANY ACT OR OMISSION, TRANSACTION OR OCCURRENCE FROM THE BEGINNING OF TIME THROUGH THE EFFECTIVE DATE IN ANY WAY RELATING TO THE DEBTOR; AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS SHALL BE FOREVER WAIVED AND RELEASED; *PROVIDED, HOWEVER,* THAT THIS SECTION SHALL HAVE NO EFFECT ON THE LIABILITY OF ANY INDIVIDUAL OR ENTITY THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE; *PROVIDED, FURTHER,* THAT THERE SHALL BE NO RELEASE (1) WITH RESPECT TO CLAIMS AGAINST ANY INDIVIDUAL OR ENTITY TO ENFORCE THE AGREEMENTS, TERMS AND PROVISIONS OF THIS PLAN, AND (2) WITH RESPECT TO THE DEBTOR'S RETENTION AND RESERVATION OF, AND ENTITLEMENT TO ASSERT, ANY AND ALL DEFENSES AND COUNTERCLAIMS, INCLUDING WITHOUT LIMITATION, TO ASSERT A RIGHT OF SETOFF OR SIMILAR RIGHTS TO DISPUTED CLAIMS. THE RELEASE DESCRIBED ABOVE SHALL BE ENFORCEABLE AS A MATTER OF

CONTRACT AGAINST ANY HOLDER OF A CLAIM TIMELY NOTIFIED OF THE PROVISIONS OF THE PLAN. CLAIMANTS OF THE DEBTOR SHALL BE ENJOINED FROM COMMENCING OR CONTINUING ANY ACTION, EMPLOYMENT OF PROCESS OR ACT TO COLLECT, OFFSET OR RECOVER ANY CLAIM THAT IS RELEASED AS PROVIDED HEREIN.

9.07 *Post-Confirmation Date Payments.* As of the Effective Date, the Debtor may pay the charges it incurs for professional fees, disbursements, expenses or related support services after the Confirmation Date without any application to the Bankruptcy Court upon the submission of a detailed invoice, in respect of such fees, disbursements, expenses and related charges.

9.08 *Survival of Certain Indemnification Obligations.* The obligations of the Debtor to indemnify individuals who serve or served on and after the Petition Date as the Debtor's directors, officers, agents, employees, representatives, and others, including (without limitation) the Plan Administrator, the Disbursing Agent, professional persons retained by the Debtor, pursuant to the Debtor's certificate of incorporation, by-laws, applicable statutes and pre-Confirmation Date agreements in respect of all present and future actions, suits and proceedings against any of such officers, directors, agents, employees, representatives, and others, including (without limitation) professional persons retained by the Debtor, based upon any act or omission related to service with, for or on behalf of the Debtor on or before the Effective Date as such obligations were in effect at the time of any such act or omission, shall not be released or impaired by confirmation or consummation of the Plan, but shall be performed and honored by the Debtor regardless of such confirmation and consummation, until the Debtor has dissolved.

9.09 *Limitation on Liability Regarding Chapter 11 Activities.* **THE DEBTOR, THE COMMITTEE AND ITS MEMBERS, NEGOTIATORS, THE OWNER PARTICIPANTS, THE OWNER TRUSTS, HSBC, THE BEAR SWAMP CERTIFICATEHOLDERS AND EACH OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, MEMBERS OR AGENTS (EACH ACTING IN SUCH CAPACITY), AND ANY PROFESSIONAL PERSONS EMPLOYED BY ANY OF THEM, WILL NOT HAVE OR INCUR ANY LIABILITY TO ANY PERSON FOR ANY ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH OR RELATED TO THE FORMULATION, PREPARATION, DISSEMINATION, IMPLEMENTATION, CONFIRMATION, OR CONSUMMATION OF THE PLAN, THE DISCLOSURE STATEMENT, ANY CONTRACT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO, OR ANY OTHER ACTION TAKEN OR OMITTED TO BE TAKEN IN CONNECTION WITH THE PLAN OR THE CHAPTER 11 CASE, AND ALL CLAIMS BASED UPON OR ARISING OUT OF SUCH ACTIONS OR OMISSIONS WILL BE FOREVER WAIVED AND RELEASED; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL AFFECT THE LIABILITY OF ANY ENTITY THAT OTHERWISE WOULD RESULT FROM ANY ACTION OR OMISSION TO THE EXTENT THAT SUCH ACTION OR OMISSION IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED WILLFUL MISCONDUCT OR GROSS NEGLIGENCE.**

ARTICLE X
CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE

10.01 *Conditions to Confirmation.* Except as provided in section 10.03 below, the following are conditions precedent to confirmation of the Plan:

A. The Bankruptcy Court shall have approved the Disclosure Statement by order entered on the docket of the Chapter 11 Case on or before March 31, 2005; and

B. The Confirmation Order presented to the Bankruptcy Court in the Chapter 11 Case for entry to confirm the Plan shall be in form and substance acceptable to the Debtor, shall be in form and substance reasonably acceptable to the Committee, HSBC, NEGTE, and the Owner Participants, and shall include, without limitation, provisions approving all compromises contained in this Plan, and a provision that waives the effect of Bankruptcy Rule 3020(e).

10.02 *Conditions to Effective Date.* Except as provided in section 10.03 below, the Plan may not be consummated unless each of the conditions set forth below has been satisfied:

A. The Confirmation Order shall have been entered on or before June 15, 2005 and shall not have been stayed, vacated, modified or reversed.

B. The Hydro Purchase Closing Date shall have occurred.

C. The proceeds in the Distribution Fund shall be sufficient to pay all Allowed Claims in full, together with Post Petition Interest on such Claims, (i) excluding Post-Petition Interest on the Shareholder Participation and excluding Post-Petition Interest on any other Claim not to be paid Post-Petition Interest, in whole or in part, by agreement and/or order of the Bankruptcy Court; and (ii) provided adequate reserves for payment of Disputed Claims and the funding of the Administrative Reserve have been made hereunder.

D. All other conditions to the Effective Date are satisfied or waived no later than September 30, 2005.

10.03 *Waiver of Conditions to Confirmation and Effective Date.*

A. *Waiving Party.* Each of the conditions to confirmation of the Plan or the occurrence of the Effective Date (other than section 10.02(C) of the Plan) may be waived in whole or in part by the Debtor, the Committee, HSBC, NEG, and the Owner Participants without notice and a hearing; *provided however*, that any such waiver(s) must be in writing and filed with the Bankruptcy Court. The Committee, on behalf of all Allowed Class 3 Claims and Creditors generally, may waive the condition to the occurrence of the Effective Date set forth in section 10.02(C), to the extent such waiver provides for payment of Post-Petition Interest. However, the Committee may not agree to waive such condition if Post-Petition Interest on Allowed Class 3 Claims is to be reduced to less than three percent (3%) simple interest per annum. The inability of the Debtor to pay Post-Petition Interest on Allowed Class 3 Claims at a rate of at least three percent (3%) per annum or the election by a majority of the Committee to reject a payment to the holders of Allowed Class 3 Claims which is less than the full amount of such Allowed Class 3 Claims together with Post-Petition Interest at a rate of four percent (4%) per annum (and the Debtor's inability to pay such amounts) shall cause this Plan to be incapable of being made effective (except where a holder of a Class 3 Claim and the Debtor agree to accept a lesser amount in respect of post-petition interest, which is approved by a Bankruptcy Court order, all as is more fully set forth in section 1.101(d) of this Plan). In the event that the Committee elects to accept, on behalf of holders of Allowed Class 3 Claims, Post-Petition Interest in an amount equal to or greater than three percent (3%) per annum but less than four percent (4%) per annum, any such election shall be in writing, and filed with the Bankruptcy Court and served upon the Debtor prior to or on the Effective Date; provided, however, that the Debtor and/or the Plan Administrator, if applicable, shall give the Committee seven (7) business

days prior notice of the occurrence of the Effective Date (except that if the Debtor shall pay Post-Petition Interest in an amount equal to four percent (4%) no such notice need be given). If the Committee permits Post-Petition Interest to be paid at a rate which is less than four percent (4%) per annum (such reduced rate being the “Modified Post-Petition Interest” rate), the reduced rate and amount shall be deemed a part of the Post-Petition Interest compromise described in this Plan including, without limitation, Section 5.03 of this Plan.

10.04 *Effect of Waiver or Failure to Waive.* Any waiver(s) in accordance with Section 10.03 of this Plan shall not prejudice or otherwise affect the Debtor’s rights to assert that the consummation of this Plan, notwithstanding any such waiver(s), would effectively legally or equitably moot any appeal of the Confirmation Order. The failure to satisfy or waive any condition may be asserted by the Debtor, regardless of the circumstances giving rise to the failure of such condition to be satisfied (including, without limitation, any act, action, failure to act, or inaction by the Debtor). The failure of the Debtor to exercise any of the foregoing rights shall not be deemed a waiver of any other rights and each such right shall be deemed an ongoing right that may be asserted or waived (as set forth herein) at any time or from time to time.

10.05 *Effect of Nonoccurrence of the Conditions to Confirmation Date or Effective Date.* If each of the conditions to the occurrence of the Confirmation Date or Effective Date has not been satisfied or duly waived on or before (x) June 15, 2005 in respect of the Confirmation Date, or (y) September 30, 2005 in respect of the Effective Date (or by such later date as the Debtor proposes and the Bankruptcy Court approves, after notice and a hearing), all parties in interest shall revert to the status quo prior to the filing of this Plan and the making of the agreement in respect of the Bear Swamp Compromise. In respect of a failure of a condition to the Effective Date or if such condition is not waived, upon notice filed with the Bankruptcy

Court, the Confirmation Order shall be vacated by the Bankruptcy Court. If the Confirmation Order is not entered on the docket of this Chapter 11 Case by June 15, 2005 or is vacated pursuant to this section or otherwise applicable law, then the Plan shall be null and void in all respects, and nothing contained in the Plan or the Disclosure Statement related thereto shall: (a) constitute a waiver or release of any Claims against or Liens on property of the Debtor, or (b) prejudice in any manner the rights of the Debtor or any other party in interest, including (without limitation) the right of the Debtor to contend (and the right of any other party in interest to contest) that a plan that provides General Unsecured Claims with interest at the legal rate below four percent (4%) simple interest per annum leaves such creditors unimpaired, or to seek further extensions of the exclusivity periods under section 1121(d) of the Bankruptcy Code, which exclusivity periods shall be deemed to have been extended to thirty (30) days after the date of entry of any order vacating the Confirmation Order, subject to the rights of any party to seek to shorten the exclusivity periods after notice and hearing.

ARTICLE XI
ADMINISTRATIVE PROVISIONS

11.01 *Retention of Jurisdiction.* Notwithstanding confirmation of the Plan or occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction for the following purposes, without limitation:

A. Determination of the allowability of Claims against, or the administrative expenses of, the Debtor (except those Claims that are Allowed Claims pursuant to the Plan, unless such determination is made pursuant to a reconsideration or modification of the entire Plan), and the validity, extent, priority, and nonavailability of consensual and nonconsensual Liens and other encumbrances;

B. Determination of the Debtor's tax liability pursuant to section 505 of the Bankruptcy Code;

C. Approval, pursuant to section 365 of the Bankruptcy Code, of all matters related to the assumption and assignment, or rejection, of any Executory Contract of the Debtor;

D. Resolution of controversies and disputes regarding the enforcement or interpretation of the Plan, the Confirmation Order, or the Bankruptcy Court's orders that survive confirmation of the Plan pursuant to the Plan or other applicable law;

E. Implementation of the provisions of the Plan, and entry or orders in aid of confirmation and consummation of the Plan and enforcing settlements or orders entered during the Chapter 11 Case or as part of the Plan, including, without limitation, appropriate orders to protect the Debtor, the Plan Administrator and/or the Disbursing Agent from actions by Creditors and resolution of disputes and controversies regarding property of the Debtor's estate;

F. Modification of the Plan pursuant to section 1127 of the Bankruptcy Code;

G. Commencement and adjudication of any Causes of Action that arose prior to the Confirmation Date or in connection with the implementation of the Plan and other actions against third parties brought or to be brought by the Debtor, the Committee, the Plan Administrator or a party in interest (as a representative of the Debtor's estate);

H. Entry of a Final Order closing the Chapter 11 Case;

I. Resolution of disputes concerning Disputed Claims, Claims for disputed Distributions and recharacterization or equitable subordination of Claims;

J. Resolution of any disputes concerning any release under the Plan of a non-Debtor or any injunction under the Plan, or in the Confirmation Order, against acts, employment of process, or actions against such non-Debtor;

K. Resolution of any disputes concerning whether an Entity had sufficient notice of, among other things, (i) the Chapter 11 Case; (ii) the Bar Date, the Pre-Confirmation Administrative Bar Date or the Post-Confirmation Administrative Bar Date; (iii) the hearing on the approval of the Disclosure Statement as containing adequate information; or (iv) the hearing on confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder;

L. Issuance of injunctions, granting and implementation of other orders, or taking such other actions as may be necessary or appropriate to restrain interference by any Entity with consummation or enforcement of the Plan;

M. Resolution of controversies and disputes regarding settlement agreements, orders, injunctions, judgments, and other matters entered or approved by the Bankruptcy Court in connection with any adversary proceeding, discovery, or contested matter in the Chapter 11 Case;

N. Correction of any defect, cure of any omission or reconciliation of any inconsistency in the Plan, the Confirmation Order, or any other documents relating to the Plan, as may be necessary to carry out the purposes or intent of the Plan;

O. Adjudication of any pending adversary proceeding, or other controversy or dispute, in the Chapter 11 Case, which arose pre-confirmation and over which the Bankruptcy Court had jurisdiction prior to confirmation of the Plan;

P. Entry and implementation of such orders as may become necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

Q. Resolution of Claims arising under section 503(b) of the Bankruptcy Code;

R. Resolution of controversies and disputes regarding each Sale Transaction or each Purchase Agreement;

S. Determination of any other matters that may arise in connection with or related to the Land Transfer, administration of the Retained Estate, Claims, Interests, Executory Contracts, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Land Transfer, the Plan or the Disclosure Statement.

11.02 *Plan Administrator Standing.* The Plan Administrator shall have standing to be heard on any matter over which the Bankruptcy Court retains jurisdiction and that relates, in any manner, to the administration of the Retained Estate.

11.03 *Plan Modification.* The Debtor may modify the Plan in accordance with its terms, applicable law and the consent, which shall not be unreasonably withheld, of the Committee, HSBC, NEGТ, and the Owner Participants.

11.04 *Successors and Assigns.* The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the heir, executor, administrator, successor, or assign of such Entity.

11.05 *Severability.* Except for sections 5.02, 5.03, 5.04, and 10.03 and related provisions hereof, should any provision in the Plan be determined to be unenforceable following

the Confirmation Date, such determination shall in no way limit or affect the enforceability and operative effect of any and all other provisions of the Plan, so long as the modified Plan satisfies the requirements of the Bankruptcy Code, including, without limitation, section 1127 of the Bankruptcy Code.

11.06 *Governing Law.* Except to the extent the Bankruptcy Code, the Bankruptcy Rules, or other federal laws apply, or as otherwise expressly provided in the Plan, the rights and obligations arising under the Plan shall be governed by the laws of the State of Maryland without giving effect to principles of conflicts of law.

11.07 *Dissolution of the Committee.* On the Effective Date, the Committee shall be dissolved and its members released and discharged of and from all further authority, duties, responsibilities and obligations relating to, arising from, and in connection with this Chapter 11 Case. Authority to prosecute pending Causes of Action transferred previously to and/or commenced by the Committee pursuant to a prior Order shall remain in the Retained Estate, to the extent such Causes of Action are not extinguished or released by this Plan, on the Effective Date.

11.08 *Liquidation of Assets.* On and after the Effective Date, the Debtor may, without further approval of the Bankruptcy Court, use, sell, assign, transfer, abandon or otherwise dispose of at public or private sale any of the Debtor's remaining assets for the purpose of liquidating or converting such assets to Cash, making Distributions in full and consummating the Plan.

11.09 *Books and Records.* On and after the Effective Date, the Purchasers shall provide the Debtor or the Plan Administrator (as applicable) with reasonable access to all records transferred to the Purchasers in connection with each Sale Transaction, to the extent required by

the Debtor or the Plan Administrator (as applicable) to administer the Plan (including, without limitation, to prosecute the Causes of Action and Disputed Claims).

11.10 *Application of Section 1146(c) of the Bankruptcy Code.* The issuance, transfer, or exchange of notes or securities under this Plan, the creation of any mortgage, deed of trust, or other security interest, the making or assignment of any lease or sublease, or the making or delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including, without limitation, the Land Transfer and in respect of the Hydro Transaction and/or the transaction evidenced by the Rockingham Option Agreement and/or the transaction evidenced by the Bear Swamp Land Transfer Purchase Agreement, shall not be subject to any stamp, real estate transfer, sales, use, mortgage recording or similar tax, and each recording or other agent of any governmental office shall record any such documents of issuance, transfer, or exchange without any further direction or order from the Bankruptcy Court.

11.11 *Applicability of Section 1125 of the Bankruptcy Code.* The protection afforded by section 1125(e) of the Bankruptcy Code with regard to solicitation of acceptances or rejections of the Plan shall apply to the fullest extent provided by law, and the entry of the Confirmation Order shall constitute the determination by the Bankruptcy Court that the Debtor, and each of its respective officers, directors, partners, employees, members, agents, attorneys, accountants or other Professionals, shall have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code pursuant to section 1125(e) of the Bankruptcy Code.

11.12 *Payment of Statutory Fees.* All fees payable pursuant to 28 U.S.C. Section 1930 due and payable through the Effective Date shall be paid by the Debtor on or before the Effective Date and amounts due thereafter shall be paid by the Plan Administrator in the ordinary

course. Neither the Pre-Confirmation Administrative Bar Date nor the Post-Confirmation Administrative Bar Date shall apply to fees payable pursuant to section 1930 of title 28 of the United States Code.

11.13 *Continuation of Injunctions and Stays.* Unless otherwise provided, all injunctions or stays ordered in the Chapter 11 Case, pursuant to section 105 of the Bankruptcy Code or otherwise, and extant on the Confirmation Date shall remain in full force and effect unless or until subsequently modified or terminated.

11.14 *Notices.* Any notice required or permitted to be provided under this Plan shall be in writing and served by either (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, freight prepaid, to be addressed as follows (subject to modification as to the identity of any addressee below upon notice given to the Plan Administrator and other identified addressees): (i) if to the Debtor, 7600 Wisconsin Avenue, Bethesda, MD 20814, Attn: Plan Administrator, telephone (301-280-6816), telefax (301-280-6319), with copies to, Marc E. Richards, Esquire, Blank Rome, LLP, The Chrysler Building, 405 Lexington Avenue, New York, NY 10174, telephone (212-885-5231), telefax (212-885-5001); and Bonnie Glantz Fatell, Esquire, Blank Rome LLP, Chase Manhattan Centre, 1201 Market Street, Suite 800, Wilmington, DE 19801, telephone (302-425-6400), telefax (302-425-6464); (ii) if to the Shareholder, 7600 Wisconsin Avenue, Bethesda, MD 20814, Attn: NEGT (General Counsel), with copies to, Matthew A. Feldman, Esquire, Willkie Farr & Gallagher, LLP 787 Seventh Avenue, New York, NY 10019, telephone (212-728-8000), telefax (212-728-8111); (iii) if to HSBC, HSBC Bank USA, National Association, as Indenture Trustee, Corporate Trust Services, 452 Fifth Avenue, New York, NY 10018-2706, Attn: Robert A. Conrad, telephone (212-525-1314), telefax (212-525-1366) with copies to, Stephanie

Wickouski, Esquire, Gardner Carton & Douglass, LLP, 1301 K Street, NW, East Tower-900, Washington, DC 20005, telephone (202-230-5161), telefax (202-230-5361), Robert J. Gibbons, Esquire, Debevoise & Plimpton, LLC, 919 Third Avenue, New York, NY 10022, telephone (212-909-6303), telefax (212-909-7603), and Michael E. Wiles, Esquire, Debevoise & Plimpton, LLC, 919 Third Avenue, New York, NY 10022, telephone (212-909-6653), telefax (212-909-7653) ; (iv) if to the Owner Participants, Audrey Prashker, Esquire, Verizon Capital Corp., 245 Park Avenue, 40th Floor, New York, NY 10167, telephone (212-557-4790), telefax (212-557-4571), with copies to, John K. Lyons, Esquire, Skadden Arps Slate Meagher & Flom LLP, 333 West Wacker Drive – Suite 2100, Chicago, IL 60606, telephone (312-407-0700), telefax (312-407-0411) and Alexandra Margolis, Esquire, Skadden Arps Slate Meagher & Flom LLP, Four Times Square, New York, NY 10036, telephone (212-735-7810), telefax (917-777-7810); (v) if to the Committee, Claudia Z. Springer, Esquire, Reed Smith LLP, 2500 One Liberty Place, Philadelphia, PA 19103-7301, telephone (215-241-7946), telefax (215-851-1420) and Eric Schaffer, Esquire, Reed Smith LLP, 435 6th Avenue, Pittsburgh, PA 15219-1886, telephone (412-288-4202); telefax (412-288-3063).

11.15 *Interpretation.* The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar inference refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan unless otherwise specified herein. Except for the rule contained in section 102(5) of the Bankruptcy Code, the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. The headings in the Plan are only for convenience of reference and shall not limit or otherwise affect the provisions of the Plan. A term used herein or elsewhere in the Plan that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code or Bankruptcy Rules. To the extent there is

an inconsistency between any of the express provisions of the Plan and any provision of any exhibit hereto or any document, agreement or instrument contained in the Plan Supplement, or the Disclosure Statement, the express provision of this Plan shall govern. To the extent there is an inconsistency between any of the express provisions of the Plan and any of the provisions in any of the documents that are executed and delivered in connection with the Effective Date, and in a form reasonably acceptable to the Debtor and the Plan Administrator, the provisions of such documents in connection with the Effective Date shall govern.

Submitted by:

Dated: February 17, 2005
Bethesda, Maryland

USGEN NEW ENGLAND, INC.

By: /s/ Ernest K. Hauser

Name: Ernest K. Hauser

Title: President

Counsel to the Debtor:

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and

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Telephone: (410) 659-3939
Facsimile: (410) 659-3969

EXHIBIT 1.21

To be Inserted Later

EXHIBIT 1.25

TERMS OF TRANSFER OF THE BEAR SWAMP SITE

The following outlines the general terms and conditions upon which USGen New England, Inc. (“USGen”), a Delaware corporation, will transfer the Property, as hereinafter defined, to HSBC Bank USA, as Indenture Trustee under the Indentures of Trust, Mortgage and Security Agreement (T1 and T2) dated as of November 23, 1998 or to its nominee or designee (“Buyer”).

Property: The land in the Towns of Florida, Berkshire County, and Rowe, Franklin County, Massachusetts, shown on the survey entitled “Existing Conditions Plan of Bear Swamp, Project No, 2669, Prepared for USGen New England, Inc., Florida and Rowe, Massachusetts,” dated October 23, 1998, prepared by Cullinan Engineering and consisting of four sheets, as it may be amended by the updated recordable version being prepared by Cullinan Engineering for approval under the Massachusetts Subdivision Control Law.

Title

Insurance Policy: USGen will not provide any title insurance coverage nor will it provide any affidavits or indemnities with respect to title insurance coverage.

Deed: USGen will deliver a Release Deed of the Property to Buyer. The Deed will convey a 100% undivided interest in the Property, pursuant to Bankruptcy Code Section 363, free and clear of all claims, liens and encumbrances (other than Permitted Liens identified in the title report attached hereto as Schedule I) pursuant to a final and non-appealable order of the court having jurisdiction over the Bankruptcy Proceeding (the “Order”). The Order shall provide that Buyer is a good faith purchaser and is entitled to the protections of Sections 363(m) and (n) of the Bankruptcy Code. The sale of the Property from USGen to Buyer pursuant to Bankruptcy Code Section 363 shall be a private sale, not subject to higher or better bids, unless the Bankruptcy Court orders otherwise.

Transfer Taxes:

USGen shall request that the Bankruptcy Court find that the sale is subject to the exception from the payment of all applicable taxes covered by Section 1146(c) of the Bankruptcy Code. In the case such exception is not obtained, Buyer will pay all transfer taxes or documentary tax stamps, notwithstanding any statutory provision to the contrary.

Purchase

Price: \$1.00, in consideration of the transfer of the Property, *provided* there is a global settlement of the Bear Swamp litigation prior to delivery of the Deed. If there is no global settlement, the Purchase Price shall be \$2 million cash.

Adjustments: Real estate taxes will be adjusted on the date that the Deed is delivered.

Subdivision: USGen will use its Commercially Reasonable Efforts (as defined in Amendment No. 1 to the Hydro APA defined herein) and such other action as described in Amendment No. I to effect the subdivision and easement arrangements described in Amendment No. 1 to the Hydro Asset Purchase and Sale Agreement, dated as of September 29, 2004 (the “*Hydro APA*”), by and among USGenNE, USG Services Company, LLC, and TransCanada, at the hearing on December 15, 2004 with respect to USGen’s sale of the Hydro Assets and in the related final order of the Bankruptcy Court.

**Condition
Of the**

Property: USGen will convey the Property to Buyer in an “as is” condition as of the date that USGen delivers the Deed to Buyer. USGen will not make any warranties or representations whatsoever with respect to the Property, and Buyer will waive any warranties or representations made by USGen with respect to the Property (and will, upon the delivery of the Deed to Buyer, execute and deliver such a waiver to USGen in a form reasonably acceptable to USGen).

**Delivery
of the
Deed**

(“Closing”): After the Order has been obtained, if (x) USGen or Buyer shall have received the approval by the Federal Energy Regulatory Commission of the transaction described herein, if required, and (y) Buyer or the operator of the Bear Swamp Facility shall have executed and delivered to USGen or its designee (1) a Hydro Coordination Agreement, substantially in the form set forth in Exhibit 9.9(a)(i) to the Hydro APA and (2) a Facilities Sharing Agreement, substantially in the form set forth in Exhibit 9.9(a)(ii) to the Hydro APA, but subject to the proviso to this section, then, on the date (the “*Closing Date*”) specified in a written request of the Indenture Trustee to USGen for delivery of the Deed and assignment of the Facility Site Leases (it being understood that such request shall be delivered such reasonable time before the Closing Date as to permit USGen to prepare the relevant documentation):

(A) USGen shall assign the Facility Site Leases to Buyer; and

(B) (1) if USGen shall not have consummated the sale of the Hydro assets:

(x) if, at the Closing Date, the Subdivision Plan described in Amendment No. 1 to the Hydro APA (the “*Subdivision Plan*”) shall have been recorded, USGen shall deliver the Deed to Buyer, conveying the entire Property; or

(y) if, at the Closing Date, the Subdivision Plan shall not have been recorded, USGen shall (1) deliver the Deed to Buyer, conveying so much of the Property as may be conveyed prior to recording of the Subdivision Plan, (2) assign to Buyer the right of USGen under Amendment No. 1 to the Hydro APA to receive from the purchaser of the hydro assets a conveyance of such portion or portions of the Property as shall not have been conveyed pursuant to the Deed delivered in accordance with the preceding clause (1), (3) assign to Buyer a perpetual easement for the benefit of the operation of the Bear Swamp Facility, in accordance with Amendment No. 1 to the Hydro APA, with respect to such portion or portion~ of the Property as shall not have been conveyed pursuant to the Deed delivered in accordance with the preceding clause (1), and (4) continue to use its Commercially Reasonable Efforts and such other action as described in Amendment No. 1 to obtain subdivision approval and recording of the Subdivision Plan; or

(2) if USGen shall have consummated the sale of the Hydro assets:

(x) if the Subdivision Plan shall have been recorded prior to or on the date of consummation of the sale of the hydro assets under the Hydro APA, USGen shall, deliver the Deed to Buyer conveying the entire Property; or

(y) if the Subdivision Plan shall not have been recorded prior to or on the date of consummation of the sale of the hydro assets under the Hydro APA, USGen shall, (1) deliver a Deed and other documents to Buyer conveying so much of the Property as may be conveyed prior to recording the Subdivision Plan, which Deed and other documents shall also assign to Buyer (a) the perpetual easement for the benefit of the operation of the Bear Swamp Facility, in accordance with Amendment No. 1 to the Hydro APA, and (b) the right of Buyer under Amendment No. 1 to the Hydro APA, as assignee of USGen, to receive from the purchaser of the hydro assets a Deed to Buyer, which conveys the portion or portions of the Property not previously conveyed to Buyer, and (2) continue to use its Commercially Reasonable Efforts and other such action as described in Amendment No. 1 to obtain subdivision approval and recording of the Subdivision Plan;

provided that, notwithstanding anything to the contrary in the foregoing, the delivery of the Deed and assignment of the Facility Site Leases shall occur no later than the later of (x) June 30, 2005, and (y) five (5) business days after USGen shall

notify Buyer in writing that the estate has been fully administered, in the sole discretion of USGen.

Brokerage: Each of USGen and Buyer will represent that it has not engaged the services of, or is obligated to pay, a real estate broker in connection with the transfer of the Property.

**Assignment
of Facility**

Site Leases: At the time the Deed is delivered and pursuant to the Order, whether or not the subdivision of the Property described above has been completed, Buyer and USGen shall execute and deliver an agreement or agreements in form and substance satisfactory to USGen and Buyer, pursuant to which USGen shall assign the Facility Site Leases to Buyer and Buyer will assume the Facility Site Leases, which assignments and assumptions shall be authorized by tie Order.

Releases: At the time of the delivery of the Deed, USGenNE shall execute and deliver to (i) the Owner Trust (Ti), a release of all obligations of the Owner Trust (Ti) to USGenNE under the Facility Site Lease (Ti) and the Participation Agreement (Ti), by and among USGen, Bear Swamp Generating Trust No. 1, Wilmington Trust, Bear Swamp LLC and The Chase Manhattan Bank as Lease Indenture Trustee and Pass Through Trustee (succeeded by HSBC Bank USA), *provided* that with respect to such Participation Agreement, the release is limited to obligations with respect to the Property and the Site Lease for claims based on actions, events or conditions first occurring or existing on or after the date of termination of such Participation Agreement, and (ii) the Owner Trust (T2), a release of all obligations of the Owner Trust (T2) to USGenNE under the Facility Site Lease (T2) and the Participation Agreement (T2), by and among USGen, Bear Swamp Generating Trust No. 2, Wilmington Trust, Bear Swamp LLC and The Chase Manhattan Bank as Lease Indenture Trustee and Pass Through Trustee (succeeded by HSBC Bank USA), *provided* that with respect to such Participation Agreement, the release is limited to obligations with respect to the Property and the Site Lease for claims based on actions, events or conditions first occurring or existing on or after the date of termination of such Participation Agreement.

Contemporaneously therewith, (i) the Owner Trust (T 1) will execute and deliver to USGenNE a release of all obligations of USGenNE to the Owner Trust (Ti) under the Facility Site Lease (T 1) and the Participation Agreement (T 1), *provided* that with respect to such Participation Agreement, the release is limited to obligations with respect to the Property and the Site Lease for claims based on actions, events or conditions first occurring or existing on or after the date of termination of such Participation Agreement, and (ii) the Owner Trust (T2) will execute and deliver to USGenNE a release of all obligations of USGenNE to tie Owner Trust (T2) under the Facility Site Lease (T2) and the Participation Agreement (T2), *provided* that with respect to such Participation Agreement, the release is limited to obligations with respect to the Property and the Site Lease for

claims based on actions, events or conditions first occurring or existing on or after the date of termination of such Participation Agreement.

Final

Documentation:

The terms hereof are subject to final documentation in form and substance reasonably acceptable to USGen and Buyer.

SCHEDULE I

PERMITTED LIENS

For the purposes of the term sheet titled "*Terms of Transfer of the Bear Swamp Site,*" to which this Schedule I is attached:

1. the "Exceptions from Coverage" listed in items 1, 2, 3, 4 and 5 on the attached pages shall not constitute "Permitted Liens"; and
2. in addition to the "Exceptions from Coverage" listed on the attached pages, the following items shall constitute "Permitted Liens":
 - (i) any condition that is shown by the survey entitled "*Existing Conditions Plan of Bear Swamp, Project No. 2669, Prepared for USGen New England, Inc., Florida and Rowe, Massachusetts,*" dated October 23, 1998, prepared by Cullinan Engineering and consisting of four sheets;
 - (ii) liens for *ad valorem* property taxes and water, sewer and other municipal betterment assessments and charges that are being contested in good faith by appropriate proceedings for which reserves have been established and maintained in an amount and manner reasonably satisfactory to the Buyer, and liens for such amounts as are not yet due; and
 - (iii) a taking by the county commissioners for the relocation of the road to Monroe Bridge to Skeeter Hill, dated April 27, 1976, recorded with the Franklin Country Registry of Deeds at Book 1459, Page 335 (Rowe);
 - (iv) an easement for sanitary disposal system from New England Power Company to Yankee Atomic Electric Company, dated February 16, 1979, recorded with the Franklin Country Registry of Deeds in Book 1579, Page 1 (Rowe);
 - (v) a license issued by the Department of Quality Engineering dated May 20, 1977, recorded with the Berkshire North Registry of Deeds in Book 680, Page 410 (Florida); and

(vi) a license issued by the Department of Quality Engineering dated May 20, 1977, recorded with the Berkshire North Registry of Deeds in Book 680, Page 417 (Florida).

LandAmerica

Lawyers Title

NATIONAL HEADQUARTERS
RICHMOND VIRGINIA

COMMITMENT FOR TITLE INSURANCE

SCHEDULE B - SECTION 2

EXCEPTIONS FROM COVERAGE

Case Number: C7293

The policy or policies to be issued will contain exceptions to the following unless the same are disposed of to the satisfaction of the Company:

1. Rights or claims of persons in possession.
2. Easements or claims of easements not shown by the public records, boundary-line disputes, overlaps, encroachments, title to filled lands (if any) and any matters not of record which would be disclosed by an accurate survey and inspection of the premises.
3. Any lien, or right to a lien, for services, labor or material, heretofore or hereafter furnished, imposed by law and not shown by the public records.
4. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.
5. Taxes which are a lien, due and payable.
6. Easement reserved in a deed from New England Power Company to USGen New England, Inc. dated August 21, 1998, recorded in Book 3393, Page 311, with the Franklin County Registry of Deeds and recorded in Book 963, Page 209 with the Berkshire North Registry of Deeds.
7. Plan accompanying petition of Now England Power Company to construct and maintain a power transmission line over and across Deerfield River in Florida and Rowe, dated September 25, 1972, recorded with FRD in Plan Book 37, Page 57.

8. Plan accompanying petition of New England Power Company to construct and maintain a concrete spillway dam over and across Deerfield River in Monroe and Florida, dated March 23, 1990. recorded with FRD in Plan Book 78, Page 82.
9. Those certain rights enumerated in the Deed of Easement between Consolidated Rail Corporation and New England Power Company dated May 4, 1981, and recorded with BNRD in Book 710, Page 123.
10. Taking by the Town of Florida, recorded with BNRD on March 29, 1990 in Book 814, Page 473.
11. Easement from New England Power Company to Massachusetts Electric Company dated August 31,

1997 recorded with BNRD in Book 941, Page 653.
12. Terms and Provisions of the Memorandum of Leases between Bear Swamp Generating Trust No. 1,
Bear Swamp Generating Trust No. 2 and USGen New England, Inc. dated as of November 30, 1998
and recorded with the BNRD in Book 969, Page 604 and Book 969, Page 626; and with the FRD in
Book 3429, Page 53 and Book 3429, Page 75.
13. Terms and Provisions of the Memorandum of Site Leases between USGen New England, Inc. and
Bear Swamp Generating Trust No. 1 and Bear Swamp Generating Trust No. 2 dated as of November
30, 1998 and recorded with the BNRD in Book 969, Page 648 and Book 969, Page 670; and with the
FRD in Book 3429, Page 97 and Book 3429, Page 119.
14. Terms and Provisions of the Memorandum of Site Subleases between Bear Swamp Generating Trust
No. 1, Bear Swamp Generating Trust No. 2 and USGen New England, Inc. dated as of November 30,
1998, and recorded with the BNRD in Book 969, Page 692 and Book 969, Page 714;
and with the
FRD in Book 3429, Page 141 and Book 3429, Page 163.
15. Terms and Conditions as described in Deeds from USGen New England Inc. to Boar Swamp Generating Trust No. 1 and Trust No. 2 recorded with the FRD in Book 3429, Pages 17 and 35; and the BNRD in Book 969, Pages 568 and 586.

NOTE: ALTHOUGH EXCLUDED FROM COVERAGE, THE FOLLOWING ITEMS ARE NOTED FOR INFORMATIONAL PURPOSES ONLY:

16. Work permit from the Department of Natural Resources to New England Power Company, dated December 17, 1970, recorded with FRD in Book 1268, Page 572.
17. Notice of Variance from the Town of Rowe. dated December 26, 1970, recorded with FRD in Book 1270, Page 392.
18. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRO in Book 1274, Page 681. (Rowe)
19. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 682. (Rowe)
20. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 683. (Rowe)
21. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 684. (Rowe)
22. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 685. (Rowe)
23. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 686. (Rowe)
24. Notice of Variance from the Town of Rowe, dated May 3, 1971, recorded with FRD in Book 1274, Page 687. (Rowe)
25. Order of Conditions, Massachusetts Wetlands Protection Act, dated March 27, 1985, recorded with FRD in Book 1849, Page 43; as affected by Certificate of Compliance, dated June 26, 1986, recorded with FRD in Book 1995, Page 223. (Rowe)
26. Order of Conditions, Massachusetts Wetlands Protection Act, dated March 20, 1990, recorded with FRD in Book 2438, Page 1; as affected by Extension Permit dated June 30, 1993, recorded with FRD in Book 3286, Page 173 as affected by Certificate of Compliance dated Sept 2, 1997 recorded in Book 3286, Page 175. (Rowe)

This Commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

27. Order of Conditions, Massachusetts Wetlands Protection Act, dated April 2, 1990, recorded with FRO in Book 2438, Page 6; as affected by Certificate of Compliance, dated May 15, 1995, recorded with FRD in Book 3198, Page 3.

28. Order of Conditions, Massachusetts Wetlands Protection Act, dated March 20, 1990, recorded with FRD in Book 2438, Page 16. (Rowe); as affected by Certificate of Compliance dated September 2, 1997, recorded with FRD in Book 3286, Page 169.
29. Letter of Approval by the Bureau of Waste Prevention, dated September 28, 1990, recorded with, FRD in Book 2486, Page 249, (Rowe)
30. Order of Conditions, Massachusetts Wetland Protection Act, dated October 23, 1991, recorded with FRD in Book 2581, Page 249; as affected by Certificate of Compliance, dated September 8, 1992, recorded with FRD in Book 2693, Page 6. (Rowe)
31. Notice by the Department of Environmental Protection, Commonwealth of Massachusetts dated December 6, 1999, and recorded in BNRD in Book 996, Page 151; as affected by Certificate of Compliance recorded in Book 1155, Page 173.
32. Grant of Conservation Restrictions by USGen New England, Inc. to the Massachusetts Department of Environmental Management dated July 16, 2001, recorded with the BNRD in Book 1031, Page 819, and recorded with the FRD in Book 3812, Page 90.
33. Grant of Conservation Restrictions by USGen *New* England, Inc. to the Massachusetts Department of Environmental Management dated July 16, 2001, recorded with the BNRD in Book 1031, Page 844, and recorded with the FRD in Book 3812, Page 115.
34. Order of Conditions by the Rowe Conservation Commission recorded with said FRD in Book 3473, Page 130.

NOTE: If policy is to be issued in support of a mortgage loan, attention is directed to the fact that the Company can assume no liability under its policy, the closing instructions, or Insured Closing Service for compliance with the requirements of any consumer credit protection or truth in lending law in connection with said mortgage loan.

NOTE: This commitment omits any covenant, condition or restriction referred to above which is based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that the restriction is not in violation of state or federal law, or relates to a handicap, but does not discriminate against handicapped people.

EXHIBIT 1.90

SETTLEMENT TERMS AS BETWEEN BSC AND OP

DECEMBER 23, 2004

The following proposal would globally settle all issues among Bear Swamp Certificateholders (together with HSBC, "BSC"), Owner Participants ("OP", BSC and OP collectively referred to as "Bear Swamp"), Owner Trusts (for the purposes of paragraph 12) and the Official Committee:

1. Allowed Claims
 - ?? Bear Swamp would have an allowed claim of \$485MM.
 - ?? The \$485MM allowed claim would be allocated initially based on the ratio of \$434MM BSC/\$114MM OP.
 - ?? Bear Swamp would assign a \$72MM participation in such claim to NEGТ, which participation would be shared \$48MM BSC (2/3)/\$24MM OP (1/3), resulting in an adjusted allocation ratio of \$386MM BSC (81.1%)/\$90MM OP (18.9%).
2. NEGТ would not receive any interest on its participation claim.
3. An assumed value of \$63MM representing the net sales proceeds for the Bear Swamp Facility will be credited against BSC's allowed claim (solely for the sake of convenient illustration of the sharing arrangements between BSC and OP), resulting in an adjusted BSC allowed claim of \$323MM.
4. Bear Swamp would receive interest at the same rate as all other US Gen creditors on \$413MM of its claim.

BSC would receive interest on a \$323MM claim; OP on a \$90MM claim
OP's claim would be adjusted downward by 1/3 of the interest at 4% per annum simple interest that would have accrued on \$63MM from the Petition Date to the date of payment, and BSC's claim would be adjusted upward accordingly.
5. Interest would be paid to all US Gen creditors (other than NEGТ) at 4% per annum simple interest accrued from the Petition Date to the date of payment.
6. US Gen would convey to Bear Swamp or its designee for \$1.00 the land associated with the Bear Swamp Facility.
7. US Gen, the Indenture Trustee, the Owner Trusts and the Owner Participants shall cooperate with the sale and/or transition of the Bear Swamp Facility to a new owner and/or operator, with the appropriate areas of cooperation to be agreed upon, taking into account regulatory requirements and that USGen will no longer have the ability to operate the Facility following the closing of the sale of its hydro assets.
8. An amount equal to all net proceeds from the sale of the Facility and the land will be shared among the parties as follows:

- ?? If the “net sales proceeds” are \$63MM, all of such proceeds shall be distributed to BSC.
- ?? If the “net sales proceeds” are greater than \$63MM, then BSC will receive the first \$63MM, and an amount equal to the excess of such proceeds above \$63MM shall be distributed 45% BSC/45% OP/10% NEG.T.
- ?? If the “net sales proceeds” are \$40MM or greater, but less than \$63MM, then (i) BSC will receive all of the net sales proceeds, (ii) the allowed claims of OP and NEG.T will be reduced by the difference between such proceeds and \$63MM in the following proportions: 45% OP/10% NEG.T and (iii) the allowed claim of BSC will be increased accordingly.
- ?? If the “net sales proceeds” are less than \$40MM, then BSC will receive all of the net sales proceeds, and the allowed claims of OP and NEG.T will be reduced by the difference between such proceeds and \$63MM in the following proportions: (i) with respect to the \$23MM shortfall of proceeds from (and including) \$40MM to \$63MM: 45% OP/10% NEG.T and (ii) with respect to the shortfall in proceeds less than \$40MM: 40% OP. The allowed claim of BSC will be increased accordingly.

9. “Net sales proceeds” shall be defined as an amount equal to the cash proceeds received for the Facility plus the land (net of all selling expenses other than professional fees) minus (i) a maximum of \$24MM in respect of professional fees and expenses of BSC and OP, and minus(ii) an additional amount, not to exceed \$1MM, in respect of additional professional fees and expenses of BSC and OP.

BSC and OP agree that, solely as between themselves, their respective shares of the global settlement shall be calculated as if they were reimbursed out of aggregate gross sale proceeds for their respective professional fees and expenses incurred in connection with the US Gen bankruptcy case in an amount of up to \$19.1 MM for BSC and up to \$4.9MM for OP, not subject to the lien of the Indentures. The parties agree that the professional fees and expenses of BSC referred to above shall mean all fees and expenses of the BSC Lease Indenture and Pass Through Trustees incurred in connection with the US Gen bankruptcy case, including the fees and expenses of its advisors incurred in connection therewith.

BSC and OP agree that the fees and expenses referenced above shall not include any success fee, fee contingent on completion of transaction or premium billing amounts.

The \$1 M of possible additional fees and expenses referenced above will be allocated (solely as between BSC and OP) 50% BSC/50% OP regardless of the proportions by which such fees and expenses were actually incurred.

Any cash amount released to the Seller from any holdback escrow created under the relevant asset purchase agreement shall constitute a portion of net sales proceeds only at the time of release to the Seller, and appropriate adjustments shall be made at such time among the parties to effectuate the sharing described above.

Nothing herein should be construed to limit HSBC's right to recover any fees and expenses in excess of \$19.1M from any funds to which BSC is entitled, prior to any distribution to the Bear Swamp Certificateholders.

The sharing arrangement with respect to an amount equal to "net sales proceeds" as described above will be in effect if a sale closes on or prior to 12/31/05. In the case of a sale closing thereafter, payments that would otherwise have been made to or decreases in NEGT's allowed claim will be received by or borne equally by BSC and OP.

10. BSC and OP shall share 50%/50% the revenues received in connection with the operation of the Bear Swamp Facility (pursuant to the terms of the Operating Agreements, as amended, entered into with US Gen and any subsequent operating agreement or similar agreement entered into with US Gen or any other party at the direction of BSC and with the consent of OP, which consent shall not be unreasonably withheld), less all expenses (excluding professional fees, but including 50% of all interest, commitment fees and \$30,000 priming lender legal fees under the Indenture Trustee's priming loans (it being understood that the remaining 50% of such interest and fees may nonetheless be reimbursed to BSC under Paragraph 9 hereof to the extent BSC's aggregate professional fees and expenses are otherwise less than the \$19.1 MM limit)) incurred in connection with the termination of the Operating Agreements and the operation, maintenance, overhaul, repair, replacement and preparation for sale of the Bear Swamp Facility after such termination and prior to such sale, from October 1, 2003 to and including the closing date under an asset purchase agreement. BSC shall provide OP with details of the revenues and expenses (other than professional fees) to date, and no material expenditures (except for (i) operating expenses, taxes and FERC fees, and (ii) the costs (in an aggregate amount not to exceed \$750,000) associated with the scheduled overhaul and maintenance of the Facility in the March/April/May/June timeframe) shall be made by BSC without the consent of OP, which consent shall not be unreasonably withheld.
11. BSC and OP, together with the other parties to the global settlement agreement, will use their best efforts to seek implementation of this Term Sheet and will support confirmation of a Chapter 11 Plan which contains the terms of, and is not inconsistent with, the global settlement agreement and this Term Sheet and is otherwise in form and substance satisfactory to each of BSC and OP (a "Conforming Plan"). In furtherance of the foregoing, BSC will not foreclose on the Bear Swamp claims if and so long as (i) a Conforming Plan shall be filed on or prior to January 31, 2005 with the support of all parties to the global settlement agreement, (ii) an order approving a disclosure statement for such Conforming Plan shall have been entered on or prior to March 31, 2005 pursuant to Section 1125 of the Bankruptcy Code and (iii) an order confirming such Conforming Plan shall have been entered on or prior to June 15, 2005, provided that such agreement not to foreclose shall terminate if any of the dates are missed, if any of the orders are vacated or if the Conforming Plan is revoked or modified in such a manner that it is no longer a Conforming Plan. Upon confirmation of a Conforming Plan, BSC will not foreclose upon the Bear Swamp claims pending the effective date of such Conforming Plan when allocable portions of the Bear Swamp claims will be transferred to each of OP (free of the liens of the indenture estate) and BSC (subject to the rights of HSBC as referenced in paragraph 9 above) as described above.

12. The Owner Trusts are parties hereto solely for the purpose of conveying to HSBC for the benefit of BSC and disclaiming any interest in any property and consideration to be distributed to HSBC and/or BSC hereunder.
13. If the effective date shall occur under a Conforming Plan prior to the closing of the sale of the Bear Swamp Facility, BSC may elect to receive 81.1% of the \$413MM of allowed claims (i.e., \$335MM) rather than \$323MM (and OP shall receive \$78MM, rather than \$90MM, of allowed claims), in which case (i) the respective shares of net sale proceeds shall be increased for OP and decreased for BSC and (ii) the interest adjustments in Paragraph 4 shall be decreased so that each party shall receive the same total recovery provided for above.
14. The global settlement agreement with NEGТ can be terminated by a majority vote of the Official Committee with all parties reserving all rights they may have only if US Gen is insolvent. For the purposes of this settlement, insolvent shall mean that US Gen is unable to pay (a) all claims in full (including the full Bear Swamp claim which includes the NEGТ participation but excluding interest on the NEGТ participation) and (b) simple interest at the rate of 4% per annum to all creditors.
15. The settlement agreement between BSC and OP shall terminate if the global settlement agreement with NEGТ shall cease to be in effect for whatever reason or if a Conforming Plan is not confirmed, is revoked or is modified in such a manner that it is no longer a Conforming Plan, or does not become effective. All rights of BSC and OP are expressly reserved if the settlement agreement between BSC and OP shall terminate. Moreover, unless and until the effective date shall occur under a Conforming Plan, none of the terms of this Term Sheet (other than Paragraphs 7, 12, 14 and 15) shall become effective.

EXHIBIT 1.114



