

Excerpt from 10-Q Report of Northeast Utilities System
to the Securities and Exchange Commission ("SEC"), filed August 11, 2000

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<http://www.sec.gov/Archives/edgar/data/106170/0000072741-00-000189.txt>

10. SUBSEQUENT EVENT (NU, CL&P, PSNH, WMECO)

On August 7, 2000, CL&P, WMECO and certain other joint owners reached an agreement to sell substantially all of the Millstone nuclear units, located in Waterford, Connecticut, to Dominion Resources Inc. (Dominion), for approximately \$1.3 billion, including approximately \$105 million for nuclear fuel. Dominion has also agreed to assume responsibility for decommissioning the three units.

Various federal and state regulatory approvals are needed before the transaction can be finalized; these are expected to be obtained by April 2001.

CL&P and WMECO own 81 percent and 19 percent, respectively, of Millstone 1 and 2. CL&P, PSNH and WMECO have agreements with other New England utilities covering their joint ownership in Millstone 3. CL&P's, PSNH's and WMECO's ownership interests in Millstone 3 are 52.93, 2.85 and 12.24 percent, respectively. All of CL&P's, PSNH's and WMECO's shares in the Millstone units were included in the auction. All the other joint owners of Millstone 3 except for two, representing approximately 6.5 percent of the remaining interest in Millstone 3, participated in the auction.

If the transaction is approved and finalized as proposed, CL&P and WMECO would receive approximately \$843 million and \$196 million pre-tax for their respective ownership interests. The net gain from the sale of these interests will be used to reduce the companies' stranded costs under restructuring and the net proceeds will be used to reduce their capital structures. PSNH will receive \$26 million pre-tax which will be used in accordance with the restructuring Settlement Agreement (Docket No. 099-99).

Under NU's merger agreement with Con Edison, NU shareholders will receive an additional \$1.00 of merger consideration if the agreement is recommended by the Utility Operations and Management Unit (UOMA) of the DPUC on or prior to the later of December 31, 2000, or the closing of the merger (the divestiture condition). If the merger closes before the divestiture condition is met, NU shareholders still will receive the additional \$1 per share if the divestiture condition is met prior to December 31, 2000. The UOMA is expected to file its recommendations with the DPUC in the fall of 2000.