

STATE OF NEW YORK

Public Service Commission

Garry A. Brown, Chairman

Three Empire State Plaza, Albany, NY 12223

Further Details: James Denn, (518) 474-7080

<http://www.dps.state.ny.us>

FOR RELEASE: IMMEDIATELY

08088/08-M-0436

RAVENSWOOD POWER PLANT TRANSFER OK'D — KeySpan, National Grid Merger Required Divestiture of Ravenswood —

Albany, NY—08/20/08—The New York State Public Service Commission (Commission) today approved the transfer of ownership interests in KeySpan-Ravenswood LLC (Ravenswood) and its Ravenswood Generating Station, to TransCanada Facility USA, Inc (TransCanada Facility).

In a petition dated April 21, 2008, KeySpan-Ravenswood LLC, KeySpan Ravenswood Service Corporation, and TransCanada Facility USA, Inc. requested approval for the transfer of ownership of Ravenswood and the Ravenswood Generating Station, located in Queens County.

As a condition of the approval of the merger between Ravenswood's parent KeySpan Corporation (KeySpan) and National Grid plc (National Grid), KeySpan was required to sell the entire Ravenswood generating facility, including the 250MW Unit 40 that entered service in 2004 in conformance with Article X of the Public Service Law. On March 31, 2008, KeySpan entered into an agreement to transfer ownership of Ravenswood to TransCanada Facility, an indirect subsidiary of TransCanada Corporation.

The Commission today approved the transfer of Ravenswood and its generating facilities, approximately 2,400 megawatts. In its decision, the Commission concluded that TransCanada's acquisition of Ravenswood and its facilities would not result in a concentration of wholesale generation market ownership that could enable the new owners to exercise horizontal market power. With the expiration of its contract for the purchase of the small amount of 65 megawatts, TransCanada does not own or control any generating capacity in New York.

Since TransCanada is not affiliated with entities that own or control traditional public utilities, or electric transmission, vertical market power concerns related to control over the delivery of electricity are also absent.

The Commission further concluded the transfer of ownership will not result in adverse environmental impacts since there will be no changes to the operation or management of Ravenswood and its generating facilities.

In a related action, the Commission denied the petition of TransGas Energy Systems LLC (TransGas) relative to the rules for the selection process for the auction of Ravenswood and its generating facilities. The Commission determined that TransGas did not justify the need for a review of the auction process for selecting a purchaser for Ravenswood and its generating facilities.

The Commission's written decision, when issued, will be available on the Commission's Web site at www.dps.state.ny.us by accessing the Commission's File Room section of the homepage and referencing Case 08-M-0436. Many libraries offer free Internet access. Commission orders can also be obtained from the Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).