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Leslie Lobaugh, Esq.
 General Counsel
 Niagara Mohawk Power Corporation
 300 Erie Blvd. West
 Syracuse, NY 13202

Re: Sale of Nine Mile Nuclear Plants by Niagara Mohawk Power Corporation to Constellation Energy Group

Dear Mr. Lobaugh:

We are legal counsel to a large group of current employees of Niagara Mohawk Power Corporation who work at the Nine Mile nuclear power plants, which are currently under consideration for sale by Niagara Mohawk Power Corporation to Constellation Energy Group. Because of the nature of our clients' concerns, and the fear of retaliation, we cannot reveal the identity of these employees.

Our clients are concerned that the sale of these power plants, and corresponding change in employers from Niagara Mohawk Power Corporation to the Constellation Energy Group, will adversely affect their long-standing, vested employee benefits and other rights inherent in their current employment.

The transaction has been postured to the employees of Niagara Mohawk as requiring an involuntary transfer of employment from Niagara Mohawk to the Constellation Energy Group. Niagara Mohawk has even gone so far as to request a signed release from its current employees as part of this transfer.

Our clients' primary concern is the adverse effect that such a transfer would have on their already earned and vested employee benefits. In particular, Niagara Mohawk offers retiree medical and health coverage

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June 4, 2001

Page 2

benefits, which may be lost through an involuntary transfer of employment to Constellation Energy Group.

A number of employees, who currently qualify for certain retirement benefits should they retire, have strong concerns that these benefits will be lost, or that Niagara Mohawk will attempt to deprive them of these benefits prior to completion of any sale.

Other concerns expressed by our clients include:

- concern that Niagara Mohawk's demand for a liabilities release letter from employees is discriminatory because different age groups with differing years of service with the company will be affected differently. Employees close to retirement age will be affected more severely than ones in younger age groups;
- concern that Niagara Mohawk is discriminating among employees by offering some managers smaller consideration for a release than upper management (Branch Managers 100K and Vice Presidents 1M and senior Vice President even more?);
- concern that a release letter should not be a condition of employment with Constellation; and
- concern that the loss or demoralization of this key group of managerial personnel, with extensive nuclear background, may adversely impact the safe operation of the plans.

Our clients have asked us to contact both the Public Service Commission and Federal Nuclear Regulatory Commission to enlist the regulatory assistance of these agencies in protecting benefits currently

June 4, 2001

Page 3

available to the employees of Niagara Mohawk who perform services at the Nine Mile Nuclear Power Plants. Specifically, our clients may also seek the aid of the regulatory agencies in requiring Niagara Mohawk to guarantee and provide the current regime of employee benefit plans, including retiree medical and health insurance coverage, even after the involuntary transfer of these employees to Constellation Energy Group.

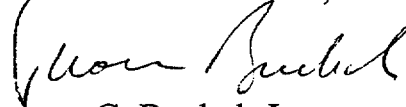
An unsatisfactory resolution of these concerns might lead a significant number of the most experienced employees at the Nine Mile plants to involuntarily and prematurely retire at this crucial juncture, when their experience is needed to ensure a successful transition to Constellation.

Please contact me at your earliest convenience to further review the process and procedure whereby my clients' concerns can be fully considered and addressed by Niagara Mohawk.

Thank you for your consideration.

Very truly yours,

HANCOCK & ESTABROOK, LLP



Thomas C. Buckel, Jr.

TCB/bak

cc Chairman - Public Service Commission
Mr. Samuel Collins, Director - Federal Nuclear Regulatory
Commission