



## **NRG Reaches Tentative Agreement with Connecticut Light & Power on Electric Wholesale Supply Agreement**

July 19, 2002

**MINNEAPOLIS (July 19, 2002)** (BUSINESS WIRE) – NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL) today announced it has reached a tentative agreement with Connecticut Light and Power Company (CL&P) that would result in increased compensation to NRG, a supplier of CL&P's wholesale supply agreement. As part of the agreement, NRG has committed to keeping power generating units in service at its Devon and Norwalk Harbor generating stations as well as at its Cos Cob remote jet sites for the remainder of the wholesale supply agreement.

CL&P filed an emergency petition with the Connecticut Department of Public Utility Control (DPUC) yesterday asking the DPUC to approve a shift of wholesale supply agreement revenues—effective Aug. 1, 2002 through year-end 2003—that will reallocate 0.7 cents per kilowatt hour in the wholesale price paid to existing suppliers. In its petition, CL&P said there will be no increase in the retail electric price for consumers.

NRG has also given approval to CL&P to proceed with re-bidding the 2003 portion of the wholesale supply agreement. NRG currently supplies 40 percent of CL&P's wholesale supply agreement requirements. If bid prices are above the amended wholesale supply agreement price, the existing suppliers will retain their supply obligations at the amended price. If bid prices come in between the current and amended prices, the existing suppliers have the option of taking the bid price for 2003 or terminating the agreements.

"While we are pleased CL&P recognizes the importance of these facilities, NRG will continue to advocate for changes in the electricity market that ensure fair compensation for generators that provide reliability services," said Richard C. Kelly, chief executive officer of NRG.

In early May, NRG Power Marketing, Inc. notified Independent System Operator-New England (ISO-NE) that it planned to place three units from its Devon Station into deactivated reserve Aug. 1, 2002. NRG has been operating these units at a loss and has been working with the ISO-NE for more than a year to obtain compensation commensurate with the value of the service these units provide, particularly in transmission-constrained southwestern Connecticut. In 2001, NRG notified CL&P that it planned to explore its option to shut down the Norwalk Harbor and Cos Cob generating stations in 2003 due to similar economic circumstances.

"This tentative agreement, if allowed by the DPUC, should allow NRG to keep our Connecticut generating facilities on line throughout the summer in order to meet growing customer demand for electricity," said Kelly.

NRG Energy, a wholly owned and unregulated subsidiary of Xcel Energy, develops and operates power generating facilities. NRG's operations include competitive energy production and cogeneration facilities, thermal energy production and energy resource recovery facilities.

This release may include forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "estimate," "expect," "projected," "objective," "outlook," "possible," "potential" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; changes in federal or state legislation; regulation; risks associated with the California power market; currency translation and transaction adjustments; the higher degree of risk associated with Xcel Energy's nonregulated businesses compared with Xcel Energy's regulated business; the satisfaction of all conditions to the exchange offer that cannot be waived and the satisfaction or waiver of conditions to the exchange offer that may be waived; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission (SEC), including Exhibit 99.01 to Xcel Energy's report on Form 10-K for year 2001.

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