



NRG Energy to Acquire Third Plant from Niagara Mohawk Power

April 1, 1999

MINNEAPOLIS (April 1, 1999) -- NRG Energy, Inc., a wholly owned subsidiary of Northern States Power Company (NYSE:NSP), announced today the execution of an acquisition agreement with Niagara Mohawk Power (NYSE:NMK) to purchase a third power station from Niagara Mohawk, the 1,700 MW oil/gas fired Oswego Generating Station. Rochester Gas & Electric, 24 percent owner of one of the units, has agreed to sell its share of the plant, subject to approval by the company's board of directors.

NRG will pay \$80 million for Niagra Mohawk's share of the station. A prorated amount will be paid to Rochester Gas & Electric. The acquisition, which is subject to state and federal regulatory approvals, is expected to close in the fourth quarter of 1999.

Niagara Mohawk recently awarded NRG the Dunkirk station, Niagara Mohawk's largest coal-fired plant, and the Huntley station. These two plants have a combined aggregate summer rating of 1,360 MW. With the agreement to acquire Oswego, NRG now owns, or has executed agreements to acquire, plants representing in excess of 5,000 MW of capacity in the Northeast United States.

"NRG's vision is to achieve and maintain a top three position in our core markets. The acquisition of Oswego puts NRG among the top three independent power producers in the Northeast," commented Craig Mataczynski, president and chief executive officer of NRG North America."

Oswego is located on a 93-acre site in Oswego, New York, along the south shore of Lake Ontario. The facility consists of two, 850 MW oil-fired operating units and four retired units. One of the operating units also can generate up to 150 MW utilizing natural gas. The Unit 3 boiler operates on natural gas as a back-up to the auxiliary boiler. The operation also includes an oil tank farm and associated rail facilities which give Oswego an alternative year-round fuel delivery system, as well as substantial additional offsite fuel oil storage.

NRG is one of the world's leading independent power producers, specializing in the development, construction, operation, maintenance and ownership of low-cost, environmentally-sensitive power plants. Established in 1989, NRG has a high quality portfolio of projects in the United States, Europe, the Pacific Rim, and Latin America. NRG is involved in approximately 15,000 MW of projects utilizing diverse fuel types including natural and landfill gas, hydro, and solid fuels such as coal, lignite, biomass and refuse-derived fuel.

Certain information included in this press release contains statements that are forward-looking. Such forward-looking information involves risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by or on behalf of NRG.

For more information regarding these risks and uncertainties, review NRG's filings with the Securities and Exchange Commission.

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