



## **NRG Reaches Agreement with Shaw Group to Transfer Pike Construction Project Assets**

August 5, 2002

**MINNEAPOLIS (August 5, 2002)** NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL), announced today that it has reached an agreement with Shaw Group Inc. (NYSE: SGR), its contractor for the Pike Energy, LLC (Pike) power plant construction project in Holmesville, Mississippi, to transfer the project's assets to Shaw. As a result of the transfer NRG will receive \$43 million and the forgiveness of approximately \$75 million owed to Shaw.

"This agreement is consistent with our business plan to strengthen NRG's balance sheet and improve liquidity through the divestiture of our international portfolio and selected domestic assets," said Richard C. Kelly, president and chief operating officer of NRG. "We believe this transaction significantly reduces NRG's capital requirements in the second half of 2002 and beyond."

The agreement is subject to Xcel Energy Board and lender approvals as well as certain conditions.

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.

Xcel Energy is a major U.S. electricity and natural gas company with regulated operations in 11 Western and Midwestern states. The company provides a comprehensive portfolio of energy-related products and services to 3.2 million electricity customers and 1.7 million natural gas customers through its regulated operating companies. In terms of customers, it is the fourth-largest combination natural gas and electricity company in the U.S. Company headquarters are located in Minneapolis.

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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