



NRG Energy Cancels Acquisition of New Jersey Assets from Conectiv

April 1, 2002

MINNEAPOLIS, Apr 1, 2002 (BUSINESS WIRE) -- NRG Energy, Inc. (NYSE:NRG) and Conectiv (NYSE:CIV/CIVA) announced today the termination by NRG of the purchase and sale agreements between NRG and Atlantic City Electric Company, a subsidiary of Wilmington, Del.-based Conectiv, for the purchase of 794 megawatts (MW) of electric generating plants.

"Due to a combination of increased operating costs and changes in the electricity market, NRG has decided not to move forward with this acquisition," said David H. Peterson, chairman, president and CEO of NRG Energy. "Canceling this acquisition will result in a \$230 million decrease in NRG's capital obligations for 2002."

The assets include the 447 MW BL England Generating Station on Great Egg Harbor Bay in the town of Beesley's Point, N.J., the 239 MW Deepwater Generating Station near the town of Pennsville, N.J., and a 66 MW interest in the Conemaugh station and a 42 MW interest in the Keystone Generating Station, both located in western Pennsylvania. NRG will retain its 63 MW interest in Keystone and 64 MW interest in Conemaugh that the company acquired during its June 2001 acquisition of 1,081 MW of assets from Delmarva Power and Light, another Conectiv subsidiary.

In February, NRG received a one-year power contract to supply 500 MW of power to Atlantic City Electric beginning August 1, 2002. The one-year power agreement, which remains in place, was the result of an online auction and bidding process to serve New Jersey's Basic Generation Service (BGS).

"NRG will continue to look for investment opportunities in the MidAtlantic region when power and capital market conditions warrant," said Craig A. Mataczynski, president and CEO of NRG North America. "The BGS contract with Atlantic City Electric increases NRG's presence in the MidAtlantic region and its commitment to providing reliable and affordable power in New Jersey."

Certain information included in this news 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 expected results expressed in any forward-looking statements made by NRG Energy. Factors that could cause NRG Energy's results to differ materially from those contemplated in the forward-looking statements above include, among others, the business and investment considerations disclosed from time to time in NRG Energy's filings with the Securities and Exchange Commission.

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