



NSP, NRG Announce Initial Public Offering

May 30, 2000

MINNEAPOLIS, May 30, 2000 Northern States Power Co. today announced the successful initial public offering (IPO) by its wholly-owned subsidiary NRG Energy. The initial public offering of 28,170,000 shares of common stock was priced at \$15 per share. The common stock will trade on the New York Stock Exchange starting May 31, 2000, under the symbol, "NRG."

The IPO enhances NRG's ability to finance its growth on a more cost-effective basis, according to Jim Howard, NSP chairman, president and chief executive officer. "The pricing of the IPO reflects the shareholder value that NRG and NSP have been creating since NRG was formed in 1989," Howard said.

"NRG's IPO will help continue growth through 2000," said Dave Peterson, NRG chairman, president and chief executive officer. "We are very pleased with the value placed on the offering, especially during such a turbulent market period."

Howard noted that NRG has been "disciplined, strategic and tenacious in creating its portfolio of highly valuable generating projects both domestically and internationally. The ability to successfully complete the IPO in a difficult market is an indication of NRG's strength and the value embedded in NSP and soon to be within Xcel Energy."

NRG Energy will have 28,170,000 common shares outstanding, which will represent approximately 16 percent of the common stock of the company. NSP owns approximately 147,600,000 Class A shares of NRG common stock.

The gross proceeds from the offering are expected to be approximately \$420 million. NRG has granted the underwriters an over-allotment option to purchase up to an additional 4,225,500 shares of common stock during the next 30 days - increasing the total offering from 16 percent to 18 percent of NRG's common stock.

"The NRG model of development and growth is representative of NSP's approach to creating shareholder value in the building of new companies," Howard said. "We expect to nurture our other developing businesses in the same manner as NRG."

NRG Energy (www.nrgenergy.com) is a leading global energy company primarily engaged in the acquisition, development, ownership and operation of power generation facilities. NRG Energy owns all or a portion of 57 power generation projects with a total generating capacity of more than 23,000 MW; its net ownership interest in these projects exceeds 13,000 MW. NRG Energy's operations utilize such diverse fuel sources as natural gas, oil, coal and coal seam methane, biomass, landfill gas, and hydro, as well as refuse derived fuel.

NSP is in the final stages of completing a merger with New Century Energies of Denver, Co., to form Xcel Energy Inc. Completion is expected by mid-2000.

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 those expressed in any forward-looking statements made by or on behalf of NRG Energy. For more information regarding these risks and uncertainties, review NRG Energy's filings with the Securities and Exchange Commission.

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