



NRG Energy to Acquire Conectiv Fossil Assets

January 19, 2000

MINNEAPOLIS, January 19, 2000 NRG Energy, Inc., a wholly owned subsidiary of Northern States Power Company (NYSE:NSP), announced today the execution of an agreement to acquire 1,875 megawatts (MW) of fossil-fueled electric generating capacity and other assets from Conectiv (NYSE: CIV) of Wilmington, Del. NRG Energy will pay \$800 million for the assets, which are owned by Conectiv subsidiaries Atlantic City Electric Company (ACE) and Delmarva Power & Light Company (Delmarva).

The fossil-fueled generating facilities consist of Conectiv's wholly owned BL England, Deepwater, Indian River and Vienna steam stations, plus Conectiv's interest in the Conemaugh and Keystone steam stations. Other assets in the purchase are the 241-acre Dorchester site in Dorchester County, Md., certain Merrill Creek Reservoir entitlements in Harmony Township, N.J., and certain excess emission allowances.

"These stations provide NRG Energy with a strong presence in the PJM market, plus excellent opportunities for sales to adjacent markets," said Craig Mataczynski, president and chief executive officer of NRG North America. "The purchase also reinforces NRG Energy's overall position in the Northeast, providing additional dispatching flexibility and opportunities for sales of ancillary services when that market develops in PJM."

NRG Energy will sell 500 MW of energy around the clock to Delmarva under a five-year power purchase agreement. The remaining energy and capacity will be sold in PJM and neighboring markets.

The Conectiv purchase adds to NRG Energy's existing holdings in the Northeast, which consist of over 4,500 MW of generating capacity in the New York Power Pool and nearly 2,500 MW of generating capacity in the New England Power Pool.

The BL England Steam Station is a 447 MW coal- and oil-fired generating facility on Great Egg Harbor Bay in the town of Beesley's Point, N.J. The Deepwater Steam Station, a 239 MW gas, oil and coal facility, sits on a 270-acre site along the Delaware River near the town of Pensville, N.J. The 784 MW coal-fired Indian River Steam Station is located on the Delmarva Peninsula near Millsboro, Del. The Vienna Steam Station is a 170 MW oil-fired generating station located along the Nanticoke River in the town of Vienna, Md. NRG Energy will acquire complete ownership of these stations.

Of the 1,711 MW coal-fired Conemaugh Steam Station, NRG Energy will acquire Conectiv's 7.55 percent ownership equating to 129 MW of generation. The plant is located on the Conemaugh River, approximately 60 miles west of Pittsburgh, Pa. NRG Energy will also purchase Conectiv's 6.17 percent ownership (106 MW) in the 1,711 MW coal-fired Keystone Steam Station located approximately 50 miles west of Pittsburgh.

CIBC World Markets Corp. acted as exclusive financial advisor to NRG Energy with respect to the transaction.

NRG Energy is the world's seventh largest independent power producer, specializing in the development, construction, operation, maintenance and ownership of low-cost, environmentally responsible power plants and associated power-marketing activities. With leading generation positions in selected markets in the United States, Europe, the Pacific Rim, and Latin America, NRG Energy is involved in projects representing more than 23,000 MW of generating capacity, including nearly 11,000 MW of fully owned capacity. 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 and geothermal energy.

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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