



NRG Energy to Purchase 2,235 MW of Generation from Connecticut Light & Power

July 6, 1999

MINNEAPOLIS (July 6, 1999) -- NRG Energy, Inc. (NRG), a wholly-owned subsidiary of Northern States Power Company (NYSE: NSP), announced today the execution of a binding purchase and sale agreement to acquire electric generating stations and remote gas turbines totaling 2,235 megawatts (MW) of generating capacity from Connecticut Light & Power Company (CL&P) of Hartford, Conn. NRG will pay \$460 million for the assets and will operate the generating stations. Financial close is anticipated prior to year-end.

The assets are comprised of the Middletown, Montville, Devon and Norwalk Harbor gas- and oil-fired steam generating stations totaling 2,108 MW, and 127 MW of remote gas turbines at Branford, Torrington and Cos Cob, Conn. When the CL&P acquisition and the previously announced 1,700-MW Oswego acquisition from Niagara Mohawk Power Corp. (Niagara Mohawk) are completed, NRG will own and operate more than 7,000 MW of generating capacity in the Northeast United States.

"On completion of the CL&P acquisition and the pending Niagara Mohawk acquisition, NRG will pass the 10,000 MW milestone in owned generating capacity," commented Dave Peterson, chairman, president and chief executive officer of NRG. "While this megawatt growth is impressive, returns to NSP are more important. These acquisitions will help NRG meet its earnings goals in 2000 and beyond."

Craig Mataczynski, president and chief executive officer of NRG North America said the CL&P fossil assets will add considerably to NRG's intermediate and peaking generation capabilities in the Northeast United States. "The facilities' access to the New England and New York power pools increases NRG's regional energy and capacity flexibility and enhances our ability to offer a complete spectrum of energy products, including ancillary services," Mataczynski said. "Additionally, the Middletown Station's close proximity to potential steam customers opens up another growth opportunity for the company."

Middletown Station, a 856-MW steam-powered plant located beside the Connecticut River in Middletown, Conn., consists of two gas- or oil-fired units, one active and one retired oil-fired unit and one gas turbine. The 498-MW Montville Station on the Thames River in Uncasville, Conn., is composed of one gas- or oil-fired unit, one oil-fired unit, and two diesel generators. Norwalk Station, with 353 MW of capacity from two oil-fired units and one gas turbine, is located on Manresa Island at the mouth of Norwalk Harbor. Devon Station, consisting of 401 MW of generation capacity derived from two gas- or oil-fired units and five gas turbines, is located on the Housatonic River at Milford, Conn.

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 projects totaling over 18,000 MW of generating capacity 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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Media Contact:

Frank Rapley
NRG Energy, Inc.
(612) 373-8892
e-mail: frank.rapley@nrgenergy.com