



Con Edison Announces Winning Bidders for NYC Power Plants

January 29, 1999

Consolidated Edison Company of New York Inc. (Con Edison) announced today that NRG Energy Inc. and KeySpan Energy are the winning bidders for two of its electric generating plants and 36 gas turbines.

NRG was the winning bidder for the Arthur Kill bundle, which consists of the 842-megawatt Arthur Kill Generating Station on Staten Island and the 614-megawatt Astoria Gas Turbines in Queens. The price to be paid is \$505 million.

KeySpan was the winning bidder for the Ravenswood bundle, which consists of the 1,753-megawatt Ravenswood Generating Station and the 415-megawatt Ravenswood Gas Turbines, both in Long Island City, Queens. The price to be paid on this bundle is \$597 million.

NRG and KeySpan will offer employment to all Con Edison employees working at the facilities being sold and will honor all union contracts.

"Many Con Edison men and women have devoted a good part of their working lives to our power plants, helping to ensure a safe and reliable supply of energy to homes and businesses," said Con Edison Chairman and CEO Eugene R. McGrath. "I'm sure that these employees will continue to use their experience and dedication to serve New York's energy needs well."

Con Edison is divesting electric generating capacity located in New York City as part of the restructuring of the electric utility industry. In order to create a competitive wholesale electricity market in New York City, the generating facilities have been divided into three bundles, each of which is to be purchased by a different company.

Bids for the third bundle, which consists of the 1,090-megawatt Astoria Generating Station and the 765-megawatt Gowanus and Narrows Gas Turbines, are due in late February. Morgan Stanley Dean Witter is advising Con Edison on all three sales.

"This is yet another step in the journey toward a competitive energy market for consumers in New York City and Westchester County," said McGrath. "The sales of these generating facilities will benefit our shareholders and customers, while the agreements with the new owners include provisions to ensure that employees are treated fairly."

NRG Energy is one of the largest independent power producers in the world. The company acquires, develops, operates and owns interests in independent power production and cogeneration facilities, thermal energy production and transmission facilities and resource recovery facilities. The company was established in 1989 as a wholly owned subsidiary of Northern States Power Company (NYSE: NSP).

Headquartered in Minneapolis, Minnesota, NSP is a major U.S. utility with growing domestic and overseas non-regulated operations. NSP and its wholly owned subsidiary, Northern States Power Company-Wisconsin, operate generation, transmission and distribution facilities providing electricity and gas to about 1.8 million customers in Minnesota, Wisconsin, North Dakota, South Dakota and Michigan.

KeySpan Energy subsidiaries distribute natural gas to nearly 1.6 million customers in the New York City boroughs of Staten Island, Brooklyn and Queens, and the Long Island counties of Nassau and Suffolk. Subsidiaries own significant investments in gas exploration and production operations, primarily through 64 percent ownership of the Houston Exploration Company. Other subsidiaries own investments in domestic and international pipeline operations and in international gas distribution operations, and provide gas marketing and energy services, including system installation and management primarily in the greater New York metropolitan area. Company subsidiaries generate electricity in Nassau and Suffolk at five plants and 42 smaller facilities with an aggregate-rated generating capacity of 3,978 megawatts (MW) and provide electric transmission and distribution operating services and customer billing services to the Long Island Power Authority for its one million electric customers.

Con Edison is one of the nation's largest utility companies, with more than \$7 billion in annual revenues and \$14 billion in assets. The company, a subsidiary of Consolidated Edison Inc., provides electric, gas and steam service to more than three million customers in New York City and Westchester County, New York.