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SOUTH TEXAS PROJECT SELECTS SARGENT & LUNDY AS OWNER'S ENGINEER

STP moves forward on construction of two additional nuclear reactors

Wadsworth, Texas (May 14, 2007) – On track to be among the first nuclear construction in the United States in nearly 30 years, The South Texas Project selected Sargent & Lundy LLC, a leading engineering consulting firm, as its owner's engineer to assist in the plant's proposed expansion project.

"Sargent & Lundy's robust, multi-disciplined engineering staff will provide the depth we need. Sargent & Lundy is an excellent engineering and project management organization with a proven track record. Their seasoned managers and employees with nuclear construction experience and construction management skills will complement STP's existing team of experts." said Kevin Richards, STP's group vice president for Units 3 and 4.

First announced in June 2006 by NRG Energy, an owner of STP, the expansion project will involve the construction of two additional nuclear reactors, Units 3 and 4, to STP's two existing reactors. For more than three years, STP has led the U.S. in electricity production by a two-reactor facility. Additionally, STP's Unit 2 has led the nation's 103 reactors in electricity production and is the third highest producing reactor in the world. With the additional generation capabilities provided by two new reactors, STP will double its capacity to provide safe, reliable and environmentally protective electricity to approximately two million homes.

"Our first priority is to continue the safe and reliable operation of Units 1 and 2. We will continue that same level of excellence by setting the industry standard in the licensing and construction of new units. Adding Sargent & Lundy to our team will help greatly in achieving that objective," said STP President and CEO James Sheppard.

"We appreciate STP's confidence in the high quality of our nuclear engineering capabilities and we are pleased to support their vision to the continued production of environmentally sound, affordable and safe electricity," said Bud Wendorf, Sargent & Lundy Chairman and CEO.

Sargent & Lundy will be managed directly by STP's engineering staff and will begin work on the expansion project immediately.

"We will work closely with Sargent & Lundy and will value their counsel on major project decisions and direction. We are looking forward to a long-term partnership with this firm," stated Richards.

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To find out more about the South Texas Project, visit www.stpnoc.com

About the South Texas Project

STP supplies power to customers in Houston, Austin, San Antonio, Corpus Christi and surrounding areas. The plant is managed by the STP Nuclear Operating Company and is owned by NRG Texas LLC, CPS Energy and Austin Energy. STP's twin reactors produce nearly 2,600 megawatts of electricity, enough to power approximately two million homes.

About Sargent & Lundy

Sargent & Lundy LLC is a worldwide leader in professional services for the electric power industry and has been dedicated exclusively to serving energy business and energy intensive clients for 116 years. The firm provides comprehensive engineering, energy business consulting and project services for new and operating electric power plants and power delivery systems. For more information, visit www.sargentlundy.com.

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