



NRG Restructuring Remains on Course

October 18, 2002

MINNEAPOLIS (October 18, 2002) -- NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL) noted that its global restructuring efforts with its bank lenders and bondholders remain on course despite The Shaw Group Inc.'s filing today of an involuntary petition for liquidation of LSP-Pike Energy, LLC under Chapter 7 of the U.S. Bankruptcy Code. Shaw, the contractor for NRG's Pike power plant construction project in Holmesville, Mississippi, also filed suit today in federal court in Mississippi alleging claims, connected with the Pike project, against NRG and Xcel Energy.

On August 5, NRG announced that Pike and NRG had reached an agreement with Shaw to transfer the Pike project's assets to Shaw in exchange for forgiveness of sums owed to Shaw and a cash payment of \$43 million by Shaw to Pike and NRG. To date, Pike, NRG and its lenders have not approved this agreement.

"Shaw's actions do not come as a surprise and Pike and NRG expect to challenge them vigorously. In any event, Shaw's involuntary petition and lawsuit do not affect NRG's operations or its comprehensive restructuring efforts," said Richard C. Kelly, NRG president and chief operating officer. "This is an action by one creditor on one isolated construction project, and we believe Shaw's claims regarding the Pike project do not give Shaw any recourse against NRG or Xcel

NRG announced earlier today the further extension of the deadline, until November 15, by which NRG is required to post approximately \$1 billion in collateral for certain bank loans. NRG continues to work on several issues concurrently with its banks and bondholders. The extension is expected to give the company time to work with its lenders and bondholders to complete and submit a plan to restructure NRG.

NRG Energy develops and operates power-generating facilities. Its operations include competitive energy production and cogeneration facilities, thermal energy production and energy resource recovery facilities.

Xcel Energy is a major U.S. electricity and natural gas company with regulated operations in 12 Western and Midwestern states. The company provides a comprehensive portfolio of energy-related products and services to 3.2 million electricity customers and 1.7 million natural gas customers through its regulated operating companies. In terms of customers, it is the fourth-largest combination natural gas and electricity company in the U.S. Company headquarters are located in Minneapolis.

This release may include forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "estimate," "expect," "projected," "objective," "outlook," "possible," "potential" and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including their impact on capital expenditures; business conditions in the energy industry; competitive factors; unusual weather; changes in federal or state legislation; regulation; risks associated with the California power market; currency translation and transaction adjustments; the higher degree of risk associated with Xcel Energy's nonregulated businesses compared with Xcel Energy's regulated business; the satisfaction of all conditions to the exchange offer that cannot be waived and the satisfaction or waiver of conditions to the exchange offer that may be waived; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission (SEC), including Exhibit 99.01 to Xcel Energy's report on Form 10-K for year 2001.

Xcel Energy Investor Relations
R.J. Kolkmann, 612.215.4559
P.A. Johnson, 612.215.4535

NRG Media Relations
Lesa Bader
612.373.6992