



## **NRG Energy, Inc. Receives Extension on Collateral Requirements**

October 18, 2002

**MINNEAPOLIS (October 18, 2002)** -- NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL), today announced it has reached an agreement with certain of NRG's bank lenders to extend until Nov. 15, the deadline by which it must post approximately \$1 billion of cash collateral in connection with certain bank loan agreements. The extension agreement calls for NRG to submit a comprehensive restructuring plan to its lenders and bondholders by late October.

"We are pleased to obtain this extension agreement," said Richard C. Kelly, NRG president and chief operating officer. "We are working on several issues concurrently with our banks and bondholders. This extension should give us time to work with them to complete and submit a plan to restructure NRG."

The extension agreement does not waive other events of default, including failure to make principal and/or interest payments when due or failure to comply with financial covenants. Nor does the extension agreement waive the rights of the bank groups or bondholders to pursue any rights and remedies in respect of such other defaults. Since the extension agreement does not contemplate NRG making any principal or interest payments on its corporate-level debt during the extension period, NRG will be in default under various debt instruments. The lenders will be able, if they so choose, to accelerate the payment of indebtedness owed to them which would likely lead to a bankruptcy filing by NRG.

Although there can be no assurances, we anticipate that these bank groups, absent any material unanticipated circumstance, will not pursue remedies while the extension agreement is in place and progress continues on the restructuring," Kelly said. "The agreement with the banks should allow our global restructuring efforts to continue on course."

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. Kolkman, 612.215.4559  
P.A. Johnson, 612.215.4535

NRG Media Relations  
Lesa Bader  
612.373.6992