



NRG Energy, Inc. Updates Corporate Bond Payment Situation

October 17, 2002

MINNEAPOLIS (October 17, 2002) -- As previously announced on September 16, NRG Energy, Inc., a wholly owned subsidiary of Xcel Energy (NYSE: XEL), did not make approximately \$25 million in combined principal and interest payments on 8.25 percent senior unsecured notes due in 2010 and a special purpose "pass through" trust that is effectively a 8.70 percent senior unsecured obligation of NRG that matures in 2005. The 30-day grace period to make payment ended yesterday and NRG did not make the required payments. As a result, NRG is in default on these bonds. As with all NRG debt issues, these are non-recourse to the parent company, Xcel Energy.

"We continue to negotiate with our bondholders, as well as with all of NRG's other lenders, in the context of a comprehensive restructuring plan," said Richard C. Kelly, NRG president and chief operating officer. "NRG intends to submit to its lenders and bondholders a comprehensive restructuring plan by late October."

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.

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