

Edgar Filing: XCEL ENERGY INC - Form U-13-60

XCEL ENERGY INC
Form U-13-60
April 30, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM U-13-60

ANNUAL REPORT

FOR THE PERIOD

BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002

TO THE

U.S. SECURITIES AND EXCHANGE COMMISSION

OF

XCEL ENERGY SERVICES INC.
(Exact Name of Reporting Company)

A Subsidiary SERVICE COMPANY
("Mutual" or "Subsidiary")

Date of Incorporation April 2, 1997

State or Sovereign Power under which Incorporated or Organized: Delaware

Location of Principal Executive Offices of Reporting Company: Minneapolis, MN

Name, title, and address of officer to whom correspondence concerning this
report should be addressed:

David E. Ripka
(Name)

Vice President and Controller
(Title)

800 Nicollet Mall Minneapolis, MN
(Address)

Name of Principal Holding Company Whose Subsidiaries are served by Reporting
Company:

XCEL ENERGY INC.

INSTRUCTIONS FOR USE OF FORM U-13-60

1. TIME OF FILING. --Rule 94 provides that on or before the first day of May in each calendar year, each mutual service company and each subsidiary service company as to which the Commission shall have made a favorable finding pursuant to Rule 88, and every service company whose application for approval or declaration pursuant to Rule 88 is pending shall file with the Commission an annual report on Form U-13-60 and in accordance with the Instructions for that form.
2. NUMBER OF COPIES. --Each annual report shall be filed in duplicate. The company should prepare and retain at least one extra copy for itself in case correspondence with reference to the report becomes necessary.
3. PERIOD COVERED BY REPORT. --The first report filed by any company shall cover the period from the date the Uniform System of Accounts was required to be made effective as to that company under Rules 82 and 93 to the end of that calendar year. Subsequent reports should cover a calendar year.
4. REPORT FORMAT. --Reports shall be submitted on the forms prepared by the Commission. If the space provided on any sheet of such form is inadequate, additional sheets may be inserted of the same size as a sheet of the form or folded to each size.
5. MONEY AMOUNTS DISPLAYED. --All money amounts required to be shown in financial statements may be expressed in whole dollars, in thousands of dollars or in hundred thousands of dollars, as appropriate and subject to provisions of Regulation S-X (210.3-01(b)).
6. DEFICITS DISPLAYED. --Deficits and other like entries shall be indicated by the use of either brackets or a parenthesis with corresponding reference in footnotes. (Regulation S-X, 210.3-01(c))
7. MAJOR AMENDMENTS OR CORRECTIONS. --Any company desiring to amend or correct a major omission or error in a report after it has been filed with the Commission shall submit an amended report including only those pages, schedules, and entries that are to be amended or corrected. A cover letter shall be submitted requesting the Commission to incorporate the amended report changes and shall be signed by a duly authorized officer of the company.
8. DEFINITIONS. --Definitions contained in Instruction 01-8 to the Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Public Utility Holding Company Act of 1935, as amended February 2, 1979 shall be applicable to words or terms used specifically within this Form U-13-60.
9. ORGANIZATION CHART. --The service company shall submit with each annual report a copy of its current organization chart.
10. METHODS OF ALLOCATION. --The service company shall submit with each annual report a listing of the currently effective methods of allocation being used by the service company and on file with the Securities and Exchange Commission pursuant to the Public Utility Holding Company Act of 1935.
11. ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED. --The service company shall submit with each annual report a copy of the annual statement supplied to each associate company in support of the amount of compensation for use of capital billed during the calendar year.

LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS

| Description of Schedules and Accounts | Schedule or Account Number |
|--|----------------------------|
| Comparative Balance Sheets | Schedule I |
| Service Company Property | Schedule II |
| Accumulated Provision for Depreciation and Amortization of Service Company Property | Schedule III |
| Investments | Schedule IV |
| Accounts Receivable from Associate Companies | Schedule V |
| Fuel Stock Expenses Undistributed | Schedule VI |
| Stores Expense Undistributed | Schedule VII |
| Miscellaneous Current and Accrued Assets | Schedule VIII |
| Miscellaneous Deferred Debits | Schedule IX |
| Research, Development, or Demonstration Expenditures | Schedule X |
| Proprietary Capital | Schedule XI |
| Long-Term Debt | Schedule XII |
| Current and Accrued Liabilities | Schedule XIII |
| Notes to Financial Statements | Schedule XIV |
| Comparative Statement of Income | Schedule XV |
| Analysis of Billing - Associate Companies | Account 457 |
| Analysis of Billing - Nonassociate Companies | Account 458 |
| Analysis of Charges for Service - Associate and Nonassociate Companies | Schedule XVI |
| Schedule of Expense by Department or Service Function | Schedule XVII |
| Departmental Analysis of Salaries | Account 920 |
| Outside Services Employed | Account 923 |
| Employee Pensions and Benefits | Account 926 |
| General Advertising Expenses | Account 930.1 |

| Description of Schedules and Accounts ----- | Schedule or Account Number ----- |
|--|--|
| Miscellaneous General Expenses | Account 930.2 |
| Rents | Account 931 |
| Taxes Other Than Income Taxes | Account 408 |
| Donations | Account 426.1 |
| Other Deductions | Account 426.5 |
| Notes to Statements of Income | Schedule XVIII |

LISTING OF INSTRUCTIONAL FILING REQUIREMENTS

Organization Chart

Methods of Allocation

Annual Statement of Compensation for Use of Capital Billed

Signature Clause

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

SCHEDULE I--COMPARATIVE BALANCE SHEET
(thousands of dollars)

Give balance sheet of the Company as of December 31 of the current and prior year

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| ACCOUNT | ASSETS AND OTHER DEBITS | | ----- |
|---------|--|-----------------|-------------|
| ----- | ----- | | ----- |
| | SERVICE COMPANY PROPERTY | | |
| 101 | Service company property | (Schedule II) | \$ |
| 107 | Construction work in progress | (Schedule II) | |
| | Total Property | | ----- |
| | | | ----- |
| 108 | Less accumulated provision for depreciation and amortization of service company property | (Schedule III) | |
| | Net Service Company Property | | ----- |
| | | | ----- |
| | INVESTMENTS | | |
| 123 | Investments in associate companies | (Schedule IV) | |
| 124 | Other investments | (Schedule IV) | |
| | Total Investments | | ----- |
| | | | ----- |
| | CURRENT AND ACCRUED ASSETS | | |
| 131 | Cash | | |
| 134 | Special deposits | | |
| 135 | Working funds | | |
| 136 | Temporary cash investments | (Schedule IV) | |
| 141 | Notes receivable | | |
| 143 | Accounts receivable | | |
| 144 | Accumulated provision for uncollectable accounts | | |
| 146 | Accounts receivable from associate companies | (Schedule V) | |
| 152 | Fuel stock expenses undistributed | (Schedule VI) | |
| 154 | Materials and supplies | | |
| 163 | Stores expense undistributed | (Schedule VII) | |
| 165 | Prepayments | | |
| 174 | Miscellaneous current and accrued assets | (Schedule VIII) | |
| | Total Current and Accrued Assets | | ----- |
| | | | ----- |
| | DEFERRED DEBITS | | |
| 181 | Unamortized debt expense | | |
| 184 | Clearing accounts | | |
| 186 | Miscellaneous deferred debits | (Schedule IX) | |
| 188 | Research, development, or demonstration expenditures | (Schedule X) | |
| 190 | Accumulated deferred income taxes | | |
| | Total Deferred Debits | | ----- |
| | | | ----- |
| | TOTAL ASSETS AND OTHER DEBITS | | \$ ===== |

(1) Includes outstanding checks

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

SCHEDULE I--COMPARATIVE BALANCE SHEET
(thousands of dollars)

| ACCOUNT | LIABILITIES AND PROPRIETARY CAPITAL | | |
|---------|--|-----------------|-------|
| ----- | ----- | | |
| | PROPRIETARY CAPITAL | | |
| 201 | Common stock issued | (Schedule XI) | \$ |
| 211 | Miscellaneous paid-in-capital | (Schedule XI) | |
| 215 | Appropriated retained earnings | (Schedule XI) | |
| 216 | Unappropriated retained earnings | (Schedule XI) | |
| | | | ----- |
| | Total Proprietary Capital | | ----- |
| | LONG-TERM DEBT | | |
| 223 | Advances from associate companies | (Schedule XII) | |
| 224 | Other long-term debt | (Schedule XII) | |
| 225 | Unamortized premium on long-term debt | | |
| 226 | Unamortized discount on long-term debt-debit | | |
| | | | ----- |
| | Total Long-Term Debt | | ----- |
| | CURRENT AND ACCRUED LIABILITIES | | |
| 231 | Notes payable | | |
| 232 | Accounts payable | | |
| 233 | Notes payable to associate companies | (Schedule XIII) | |
| 234 | Accounts payable to associate companies | (Schedule XIII) | |
| 236 | Taxes accrued | | |
| 237 | Interest accrued | | |
| 238 | Dividends declared | | |
| 241 | Tax collections payable | | |
| 242 | Miscellaneous current and accrued liabilities | (Schedule XIII) | |
| | | | ----- |
| | Total Current and Accrued Liabilities | | ----- |
| | DEFERRED CREDITS AND OTHER NON-CURRENT LIABILITIES | | |
| 228 | Accumulated provision for pension and benefits | | |
| 253 | Other deferred credits | | |
| 255 | Accumulated deferred investment tax credits | | |
| | | | ----- |
| | Total Deferred Credits and Other Non-Current Liabilities | | ----- |
| 283 | ACCUMULATED DEFERRED INCOME TAXES | | ----- |
| | | | ----- |
| | TOTAL LIABILITIES AND PROPRIETARY CAPITAL | | \$ |
| | | | ===== |

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For the Year Ended December 31, 2002

SCHEDULE II--SERVICE COMPANY PROPERTY
(thousands of dollars)

| DESCRIPTION ----- | BALANCE AT BEGINNING OF YEAR ----- | ADDITIONS ----- | RETIREMENTS OR SALES ----- |
|---|---|--------------------|-------------------------------------|
| SERVICE COMPANY PROPERTY | | | |
| Account | | | |
| 301 Organization | \$ -- | \$ -- | \$ -- |
| 303 Miscellaneous intangible plant | -- | -- | -- |
| 304 Land and land rights | -- | -- | -- |
| 305 Structures and improvements | -- | -- | -- |
| 306 Leasehold improvements | -- | -- | -- |
| 307 Equipment (2) | -- | -- | -- |
| 308 Office furniture and equipment | -- | -- | -- |
| 309 Automobiles, other vehicles and related garage equipment | -- | -- | -- |
| 310 Aircraft and airport equipment | -- | -- | -- |
| 311 Other service company property (3) | -- | -- | -- |
| | ----- | ----- | ----- |
| SUB-TOTAL | -- | -- | -- |
| 107 Construction work in progress (4) | 13 | | -- |
| | ----- | ----- | ----- |
| TOTAL | \$ 13 | \$ -- | \$ -- |
| | ===== | ===== | ===== |

- (1) Provide an explanation of those changes considered material: None
- (2) Subaccounts are required for each class of equipment owned. The service company shall provide a listing by subaccount of equipment additions during the year and the balance at the close of the year: None
- (3) Describe other service company property: None
- (4) Describe construction work in progress: None

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SCHEDULE III--ACCUMULATED PROVISION FOR DEPRECIATION
AND AMORTIZATION OF SERVICE COMPANY PROPERTY
(thousands of dollars)

| DESCRIPTION | BALANCE AT BEGINNING OF YEAR | ADDITIONS TO ACCOUNT 403 | RETIREMENTS OR SALES | OTHE CHANG (1) |
|---|------------------------------------|--------------------------------|----------------------------|----------------------|
| Account | | | | |
| 301 Organization | \$ -- | \$ -- | \$ -- | \$ |
| 303 Miscellaneous intangible plant | -- | -- | -- | |
| 304 Land and land rights | -- | -- | -- | |
| 305 Structures and improvements | -- | -- | -- | |
| 306 Leasehold improvements | -- | -- | -- | |
| 307 Equipment | -- | -- | -- | |
| 308 Office furniture and fixtures | -- | -- | -- | |
| 309 Automobiles, other vehicles and related garage equipment | -- | -- | -- | |
| 310 Aircraft and airport equipment | -- | -- | -- | |
| 311 Other service company property | -- | -- | -- | |
| TOTAL | \$ -- | \$ -- | \$ -- | \$ |

(1) Provide an explanation of those changes considered material: None

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For the Year Ended December 31, 2002

SCHEDULE IV--INVESTMENTS
(thousands of dollars)

INSTRUCTIONS: Complete the following schedule concerning investments.

Under Account 124, "Other Investments", state each investment separately, with description, including the name of issuing company, number of shares or principal amount, etc.

Under Account 136, "Temporary Cash Investments", list each investment

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separately.

| ACCOUNT ----- | ASSETS AND OTHER DEBITS ----- | BALANCE AT BEGINNING OF YEAR ----- |
|------------------|---|---|
| 123 | Investment in associate companies | \$ -- |
| 124 | Other investments: Pacific Life Insurance Co.; Key Man Life Insurance (1) US Bancorp; Rabbi Trust (1) | 3,402 458 |
| 136 | Temporary cash investments | -- |
| | TOTAL | \$ 3,860 ===== |

(1) Funding vehicles for deferred compensation liabilities

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For the Year Ended December 31, 2002

SCHEDULE V--ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES
(thousands of dollars)

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

| DESCRIPTION ----- | BALANCE AT BEGINNING OF YEAR ----- |
|---|---|
| Account 146 -- Accounts Receivable from Associate Companies | |
| Xcel Energy Inc. | \$ 6,953 |
| Xcel Energy-Cadence Inc. | 2 |

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| | |
|--|--------|
| Cheyenne Light, Fuel and Power Company | 370 |
| 1480 Welton, Inc. | 42 |
| Public Service Company of Colorado | 53,362 |
| P.S.R. Investments, Inc. | 18 |
| e prime, inc | 119 |
| Xcel Energy International Inc. | 71 |
| PS Colorado Credit Corporation, a dissolved corporation | 56 |
| WestGas InterState, Inc. | 1 |
| Utility Engineering Corporation | 2,210 |
| Quixx Corporation | 533 |
| Southwestern Public Service Company | 14,929 |
| Planergy International Inc. | 60 |
| Xcel Energy Retail Holdings Inc. | 82 |
| Xcel Energy Wyco Inc. | 3 |
| Wyco Development LLC | 5 |
| NRG Energy, Inc. | 816 |
| Viking Gas Transmission Company | 74 |
| Eloigne Company | 7 |
| First Midwest Auto Park, Inc. (sold) | (10) |
| United Power & Land Company | 29 |
| Seren Innovations, Inc. | 160 |
| Ultra Power Technologies, Inc. | (3) |
| Black Mountain Gas Company | 51 |
| Xcel Energy Products and Services Inc. | 120 |
| Northern States Power Company (a Minnesota Corp.) (NSP-MN) | 35,829 |
| Northern States Power Company (a Wisconsin Corp.) (NSP-WI) | 3,907 |
| Xcel Energy-Centrus Inc. | 9 |
| Reddy Kilowatt Corporation | 1 |
| XERS Inc. | 728 |
| NCE Communications, Inc. | 2 |
| Xcel Energy Markets Holdings Inc. | -- |
| Xcel Energy Ventures Inc. | -- |
| XEPS LLC (dissolved) | -- |
| e-prime Energy Marketing, Inc. | -- |

TOTAL \$ 120,536
=====

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For the Year Ended December 31, 2002

SCHEDULE V--ACCOUNTS RECEIVABLE FROM ASSOCIATE COMPANIES
(thousands of dollars)

INSTRUCTIONS: Complete the following schedule listing accounts receivable from each associate company. Where the service company has provided accommodation or convenience payments for associate companies, a separate listing of total payments for each associate company by subaccount should be provided.

Analysis of Convenience or Accommodation Payments:

Public Service Company of Colorado
Northern States Power Company (a Minnesota Corp.) (NSP-MN)
Northern States Power Company (a Wisconsin Corp.) (NSP-WI)
Southwestern Public Service Company
Xcel Energy Inc.
Cheyenne Light, Fuel and Power Company
Eloigne Company
Black Mountain Gas Company
Seren Innovations, Inc.
United Power & Land Company
Viking Gas Transmission Company
Xcel Energy Markets Holdings Inc.
Xcel Energy Retail Holdings Inc.
1480 Welton, Inc.
e prime, inc.
Planergy International Inc.
Utility Engineering Corporation
WestGas InterState, Inc.
NRG Energy, Inc.
e-prime Energy Marketing, Inc.
XERS Inc.
NCE Communications, Inc.

TOTAL PAY

The majority of convenience payments relate to insurance, donations, employee benefits, postage, freight, printing, facility services, banking activity, legal services, strategic planning contracts, software, hardware and communications.

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For the Year Ended December 31, 2002

SCHEDULE VI--FUEL STOCK EXPENSES UNDISTRIBUTED
(thousands of dollars)

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to fuel stock expenses during the year and indicate amount attributable to each associate company. Under the section headed "Summary" list below give an overall report of the fuel functions performed by the service company.

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| DESCRIPTION ----- | LABOR ----- | EXPENSE ----- |
|--|----------------|------------------|
| Account 152 -- Fuel Stock Expenses Undistributed | \$ -- | \$ -- |
| | ----- | ----- |
| TOTAL | \$ -- | \$ -- |
| | ===== | ===== |

Summary: None

SCHEDULE VII--STORES EXPENSE UNDISTRIBUTED

INSTRUCTIONS: Report the amount of labor and expenses incurred with respect to stores expenses during the year and indicate amount attributable to each associate company.

| DESCRIPTION ----- | LABOR ----- | EXPENSE ----- |
|--|----------------|------------------|
| Account 163 -- Stores Expenses Undistributed | \$ -- | \$ 6 |
| | ----- | ----- |
| TOTAL | \$ -- | \$ 6 |
| | ===== | ===== |

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For the Year Ended December 31, 2002

SCHEDULE VIII--MISCELLANEOUS CURRENT AND ACCRUED ASSETS
(thousands of dollars)

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped, showing the number of items in each group.

DESCRIPTION

BALANCE
BEGINNING
OF YEAR

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 Account 174 -- Miscellaneous Current and Accrued Assets

 \$

TOTAL \$
 =====

SCHEDULE IX--MISCELLANEOUS DEFERRED DEBITS
 (thousands of dollars)

INSTRUCTIONS: Provide detail of items in this account. Items less than \$10,000 may be grouped by class showing the number of items in each class.

| DESCRIPTION ----- | BALANCE BEGINNING OF YEAR ----- |
|--|--|
| Account 186 -- Miscellaneous Deferred Debits | |
| Prepaid pension | \$ 22 |
| | ----- |
| | TOTAL \$ 22 |
| | ===== |

SCHEDULE X--RESEARCH, DEVELOPMENT OR DEMONSTRATION EXPENDITURES
 (thousands of dollars)

INSTRUCTIONS: Provide a description of each material research, development, or demonstration project which incurred costs by the service corporation during the year.

| DESCRIPTION ----- | BALANCE BEGINNING OF YEAR ----- |
|--|--|
| Account 188 -- Research, Development, or Demonstration | |
| Expenditures | \$ |
| | ----- |
| | TOTAL \$ |
| | ===== |

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For the Year Ended December 31, 2002

SCHEDULE XI--PROPRIETARY CAPITAL
(thousands of dollars, except per share data)

| ACCOUNT NUMBER | CLASS OF STOCK | NUMBER OF SHARES AUTHORIZED | PAR OR STATED VALUE PER SHARE | OUTSTANDING AT CLOSE OF PERIOD | |
|-------------------|---------------------|-----------------------------------|--|-----------------------------------|-----------------|
| | | | | NUMBER OF SHARES | TOTAL AMOUNT |
| 201 | Common Stock Issued | 1,000 | \$ 0.01 | 1,000 | \$ -- |

INSTRUCTIONS: Classify amounts in each account with a brief explanation, disclosing the general nature of transactions which give rise to the amounts.

| DESCRIPTION | AMOUNT |
|--|---------|
| Account 211 -- Miscellaneous Paid-In Capital | \$ 1 |
| --Accumulated Other Comprehensive Income: unrealized investments gains (losses) | (83) |
| Account 215 -- Appropriated Retained Earnings | -- |
| TOTAL | \$ (82) |

INSTRUCTIONS: Give particulars concerning net income or (loss) during the year, distinguishing between compensation for the use of capital owned or net loss remaining from servicing nonassociates per the General Instructions of the Uniform System of Accounts. For dividends paid during the year in cash or otherwise, provide rate percentage, amount of dividend, date declared and date paid.

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| DESCRIPTION ----- | BALANCE AT BEGINNING OF YEAR ----- | NET INCOME OR (LOSS) ----- | DIVIDENDS PAID ----- |
|--|---|----------------------------------|----------------------------|
| Account 216 -- Unappropriated Retained Earnings | \$ -- | \$ -- | \$ -- |
| TOTAL | \$ -- | \$ -- | \$ -- |

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For the Year Ended December 31, 2002

SCHEDULE XII--LONG-TERM DEBT
(thousands of dollars)

INSTRUCTIONS: Advances from associate companies should be reported separately for advances on notes and advances on open accounts. Names of associate companies from which advances were received shall be shown under the class and series of obligation column. For Account 224 - Other long-term debt provide the name of creditor company or organization, terms of the obligation, date of maturity, interest rate, and the amount authorized and outstanding.

| NAME OF CREDITOR ----- | TERM OF OBLIGATION CLASS & SERIES OF OBLIGATION ----- | DATE OF MATURITY ----- | INTEREST RATE ----- | AMOUNT AUTHORIZED ----- | BALANCE AT BEGINNING OF YEAR ----- | ADDITI ----- |
|---|--|------------------------------|---------------------------|-------------------------------|---|-----------------|
| Account 223 - Advances From Associate Companies: | | | | \$ -- | \$ -- | \$ |
| Account 224 - Other Long-Term Debt: | | | | -- | -- | |
| TOTAL | | | | \$ -- | \$ -- | \$ |

(1) Give an explanation of deductions: None

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XIII--CURRENT AND ACCRUED LIABILITIES
(thousands of dollars)

INSTRUCTIONS: Provide balance of notes and accounts payable to each associate company. Give description and amount of miscellaneous current and accrued liabilities. Items less than \$10,000 may be grouped, showing the number of items in each group.

| DESCRIPTION ----- | BALANCE BEGINNING OF YEAR ----- |
|---|--|
| Account 233 -- Notes Payable to Associate Companies Notes Payable - Xcel Energy Inc. | \$ 10 ----- |
| TOTAL | \$ 10 ===== |
| Account 234 -- Accounts Payable to Associate Companies | \$ ----- |
| TOTAL | \$ ===== |
| Account 242 -- Miscellaneous Current and Accrued Liabilities Current Liability - Suspense Account (billed out in January 2003) | \$ ----- |
| TOTAL | \$ ===== |

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SCHEDULE XIV - NOTES TO FINANCIAL STATEMENTS

INSTRUCTIONS: The space below is provided for important notes regarding the financial statements or any account thereof. Furnish particulars as to any significant contingent assets or liabilities existing at the end of the year. Notes relating to financial statements shown elsewhere in this report may be indicated here by reference.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND FINANCIAL STATEMENT PRESENTATION

Xcel Energy Services Inc. (XES or the Company) is a wholly owned subsidiary of Xcel Energy Inc. (Xcel Energy). XES is the service company for Xcel Energy and its subsidiaries and began its operations effective August 1, 2000. XES provides various administrative, management, environmental and other support services to Xcel Energy and its subsidiaries, at cost, pursuant to service agreements approved by the Securities and Exchange Commission (SEC) under the Public Utility Holding Company Act of 1935 (PUHCA), as amended. The majority of the services performed by XES for Xcel Energy and its subsidiaries are provided to Xcel Energy's four major operating utilities, Northern States Power Company, a Minnesota corporation (NSP-Minnesota), Northern States Power Company, a Wisconsin corporation (NSP-Wisconsin), Public Service Company of Colorado and Southwestern Public Service Company.

On August 18, 2000, New Century Energies, Inc. (NCE) and Northern States Power Company (NSP) merged and formed Xcel Energy. Each share of NCE common stock was exchanged for 1.55 shares of Xcel Energy common stock. NSP shares became Xcel Energy shares on a one-for-one basis. The merger was structured as a tax-free, stock-for-stock exchange for shareholders of both companies (except for fractional shares), and accounted for as a pooling-of-interests. Pursuant to the merger agreement, NCE was merged with and into NSP. NSP, as the surviving legal corporation, changed its name to Xcel Energy.

REGULATION

XES is subject to regulation by the SEC under the PUHCA. XES' accounting policies conform to accounting principles generally accepted in the United States of America. XES maintains its accounts in accordance with the Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act promulgated by the Federal Energy Regulatory Commission.

USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial instruments approximates fair value. Fair values have been determined through information obtained from market sources and

management estimates.

INCOME TAXES

The Company's operations are included in the consolidated Federal income tax return of Xcel Energy. The allocation of income tax consequences to the Company, including alternative minimum tax, is calculated under a parent company policy which provides that benefits or liabilities created by the Company, computed on a separate return basis, will be allocated to (and paid to or by) the Company to the extent the benefits are usable or additional liabilities are incurred in Xcel Energy's consolidated tax returns. Deferred taxes are provided on temporary differences between the financial accounting and tax bases of assets and liabilities using the tax rates that are in effect at the balance sheet date (see Note 6).

STOCK-BASED COMPENSATION

The Company uses the intrinsic value based method of accounting for its stock-based compensation plan.

2. COMMON STOCK

XES is authorized to issue 1,000 shares of Common Stock at a par value of one cent (\$.01) per share. As of December 31, 2002, all shares of common stock were issued and held by Xcel Energy.

3. SHORT-TERM BORROWINGS

At December 31, 2002, Xcel Energy had \$400 million in credit facilities with several banks.

| | | |
|------------------|---------|----------------|
| PERIOD BEGINNING | TERM | CREDIT LINE |
| November 2000 | 5 years | \$ 400 million |

The line of credit provides short-term financing in the form of bank loans and letters of credit. At Dec. 31, 2002, there were \$399 million of loans outstanding under the Xcel Energy line of credit. The borrowing rate under this line of credit is based on the applicable London Interbank Offered Rate (LIBOR) plus an applicable spread, a euro dollar rate margin and the amount of money borrowed.

The Board of Directors has authorized the Company to borrow directly from Xcel Energy. At December 31, intercompany borrowings outstanding and the weighted average interest rate were as follows (dollars in thousands):

| | | |
|-------------------------------------|-----------|-----------|
| | 2002 | 2001 |
| Intercompany borrowings..... | \$ 65,909 | \$ 10,265 |
| Weighted average interest rate..... | 2.79% | 2.74% |

4. COMMITMENTS AND CONTINGENCIES

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LEASING PROGRAMS

The Company made payments for leases of various facilities used in the normal course of business. The majority of the operating leases are under a leasing program that has initial noncancelable terms of one year, while the remaining leases have various terms. These leases may be renewed or replaced. No material restrictions exist in these leasing agreements concerning dividends, additional debt, or further leasing. Rental expense for the years ended December 31, 2002 and 2001 was approximately \$18.0 million and \$14.3 million, respectively.

Estimated future minimum lease payments at December 31, 2002 are as follows (thousands of dollars):

| | |
|---------------------------|-----------|
| 2003 | \$ 15,449 |
| 2004 | 15,575 |
| 2005 | 15,611 |
| 2006 | 13,571 |
| 2007 | 9,786 |
| All years thereafter | 8,299 |

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TECHNOLOGY AGREEMENT

XES has a service agreement that extends through 2011 with International Business Machines Corporation (IBM) to manage most of XES's information technology systems and network infrastructure. This service agreement provides the Company with flexibility as to the amount, type and quality of service provided by IBM. The contract is cancelable at our option, although there are financial penalties for early termination. For the years ended December 31, 2002 and 2001, XES payments to IBM were approximately \$132 million and \$130 million, respectively. The contract also commits us to pay a minimal amount each year from 2002 through 2011.

5. BENEFIT PLANS AND OTHER POSTRETIREMENT BENEFITS

PENSIONS

The Company participates in various tax qualified noncontributory defined benefit pension plans, which cover substantially all Xcel Energy employees. At December 31, 2002, there were 14,445 Xcel Energy employees (including 2,965 Company employees) participating in these plans. Xcel Energy, as the plan sponsor, has overall responsibility for directly allocating such costs of each individual plan to each of the participating employers. The plans' actuary determined this allocation based on benefit obligations for active participants. Benefits are based on a combination of years of service, the employee's average pay and Social Security benefits.

Xcel Energy's policy is to fully fund into an external trust the actuarially determined pension costs recognized for ratemaking and financial reporting purposes, subject to the limitations of applicable employee benefit and tax laws. Plan assets principally consist of the common stock of public companies,

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corporate bonds and U.S. government securities. The target range for the Plan's asset allocation is 75 to 80 percent with equity investments, 5 to 10 percent with fixed income investments, no cash investments and 10 to 15 percent with nontraditional investments (such as real estate and timber ventures). At December 31, 2002, the actual pension portfolio mix was 68 percent equity, 16 percent fixed income, 4 percent cash investments and 12 percent nontraditional investments.

Summary information of the actuarially computed benefit obligation, plan assets, funded status and prepaid pension asset for the Xcel Energy plans at December 31, 2002 and 2001, is presented in the following table (in thousands):

| | 2002 | 2001 |
|--|--------------|--------------|
| | ----- | ----- |
| Benefit obligation | \$ 2,505,576 | \$ 2,409,186 |
| Fair value of plan assets | 2,639,963 | 3,267,586 |
| | ----- | ----- |
| Funded status: Plan assets exceed benefit obligations | \$ 134,387 | \$ 858,400 |
| | ===== | ===== |
| Xcel Energy prepaid pension asset | \$ 466,229 | \$ 378,825 |
| | ===== | ===== |

The Company's net periodic pension credit for the years ended December 31, 2002 and 2001 was \$22,670,000 and \$15,903,000. Significant assumptions used by the Company's actuary in the determination of these amounts are presented in the following table:

| | 2002 | 2001 |
|--|-------|-------|
| | ----- | ----- |
| Significant assumptions: | | |
| Discount rate for year-end valuation | 6.75% | 7.25% |
| Expected long-term increase in compensation level | 4.00% | 4.50% |
| Expected average long-term rate of return on assets | 9.50% | 9.50% |

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DEFINED CONTRIBUTION PLANS

The Company participates in various defined contribution plans, which cover substantially all Xcel Energy employees. Total contributions to these plans by Xcel Energy were approximately \$23 million and \$29 million in 2002 and 2001, respectively.

Until May 6, 2002, Xcel Energy had a leveraged employee stock ownership plan (ESOP) that covered substantially all employees of the former NSP. Xcel Energy made contributions to this noncontributory, defined contribution plan to the extent it realized a tax savings from dividends paid on certain ESOP shares.

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ESOP contributions had no material effect on Xcel Energy earnings because the contributions were essentially offset by the tax savings provided by the dividends paid on ESOP shares. Xcel Energy allocated leveraged ESOP shares to participants when it repaid ESOP loans with dividends on stock held by the ESOP.

In May 2002, the ESOP was terminated and its assets were combined into the Xcel Energy Retirement Savings 401(k) Plan. Starting with the 2003 plan year, the ESOP component of the 401(k) Plan will no longer be leveraged.

POSTRETIREMENT HEALTH CARE BENEFITS

The Company participates in various health and welfare plans administered by Xcel Energy. Xcel Energy has contributory health and welfare benefit plans that provide health care and death benefits to most Xcel Energy retirees. The NSP plan was terminated for nonbargaining employees retiring after 1998 and for bargaining employees after 1999. In conjunction with the 1993 adoption of Statement of Financial Accounting Standards No. 106 - "Employers' Accounting for Postretirement Benefits Other Than Pensions," Xcel Energy elected to amortize the unrecognized accumulated postretirement benefit obligation (APBO) on a straight-line basis over 20 years. Plan assets are held in external funding trusts and principally consist of investments in equity mutual funds, fixed income securities and cash equivalents.

Summary information of the actuarially computed benefit obligation, plan assets, funded status and accrued benefit cost for the Xcel Energy plans at December 31 is presented in the following table (in thousands):

| | 2002 | 2001 |
|--|------------|------------|
| | ----- | ----- |
| Benefit obligation | \$ 767,975 | \$ 687,455 |
| Fair value of plan assets | 250,983 | 242,803 |
| | ----- | ----- |
| Funded status: Plan obligations exceed assets | \$ 516,992 | \$ 444,652 |
| | ===== | ===== |
| Xcel Energy accrued benefit liability recorded | \$ 151,967 | \$ 137,140 |
| | ===== | ===== |

The Company's net periodic postretirement benefit cost for the years ended December 31, 2002 and 2001 was \$2,692,000 and \$2,120,000, respectively. Significant assumptions used by the Company's actuary in the determination of these amounts are presented in the following table:

| | 2002 | 2001 |
|---|----------|-------|
| | ----- | ----- |
| Significant assumptions: | | |
| Discount rate for year-end valuation | 6.75% | 7.25% |
| Expected average long-term rate of return on assets | 8.0-9.0% | 9.0% |

The assumed health care cost trend rate in 2002 is approximately 8 percent, decreasing gradually to 5.5 percent in 2007 and remaining level thereafter. A 1-percent increase in the assumed health care cost trend rate would increase the

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Company's total accumulated benefit obligation by approximately \$4,518,000 and the service and interest cost components of net periodic postretirement benefit costs by approximately \$400,000. A 1-percent decrease in the assumed health care cost trend rate will decrease the Company's total accumulated benefit obligation by approximately \$3,720,000 and the service and interest cost components of net periodic postretirement benefit costs by approximately \$325,000.

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6. INCOME TAXES

The provision for income taxes for the years ended December 31, 2002 and 2001 consist of the following (in thousands of dollars):

| | 2002 | 2001 |
|--------------------------------------|------------|------------|
| | ----- | ----- |
| Current income taxes: | | |
| Federal | \$ (2,834) | \$ (3,614) |
| State | (393) | (405) |
| | ----- | ----- |
| Total current income taxes | (3,227) | (4,019) |
| | ----- | ----- |
| Deferred income taxes: | | |
| Federal | 1,319 | 3,792 |
| State | 183 | 430 |
| | ----- | ----- |
| Total deferred income taxes ... | 1,502 | 4,222 |
| | ----- | ----- |
| Total provision for income taxes ... | \$ (1,725) | \$ 203 |
| | ===== | ===== |

A reconciliation of the statutory U.S. income tax rate and the effective tax rates for the years ended December 31, 2002 and 2001 follows (dollars in thousands):

| | 2002 | | 2001 | |
|--|----------|-------|-------|-------|
| | ----- | ----- | ----- | ----- |
| Tax computed at U.S. statutory rate on pre-tax accounting income | \$ (604) | 35% | \$ 71 | |
| Increase (decrease) in tax from: | | | | |
| State income taxes, net of Federal income tax benefit | (136) | 7 | | 16 |
| Non-deductible business meals | 110 | (6) | | 116 |
| Stock options | (1,838) | 107 | | -- |
| Lobbying expenses | 709 | (41) | | -- |
| Other | 34 | (2) | | -- |
| | ----- | ----- | ----- | ----- |

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Total income taxes \$ (1,725) 100% \$ 203
 =====

The tax effects of significant temporary differences representing deferred tax liabilities and assets are as follows (in thousands):

| | 2002 | 2001 |
|--|-----------|-----------|
| | ----- | ----- |
| Deferred income tax liabilities: | | |
| Information systems charges | \$ 4,537 | \$ 6,575 |
| Pension related costs | 12,338 | 2,566 |
| Rent adjustments | 2,307 | 1,438 |
| Incentive compensation | -- | 413 |
| Vacation liability | 447 | -- |
| | ----- | ----- |
| Total | \$ 19,629 | \$ 10,992 |
| | ----- | ----- |
| Deferred income tax assets: | | |
| Postretirement benefit costs | \$ 4,249 | \$ 1,200 |
| Employee severance costs | 4,125 | -- |
| Vacation liability | -- | 39 |
| | ----- | ----- |
| Total | \$ 8,374 | \$ 1,239 |
| | ----- | ----- |
| Net deferred income tax liability | \$ 11,255 | \$ 9,753 |
| | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XV - COMPARATIVE STATEMENT OF INCOME
 (thousands of dollars)

| ACCOUNT | DESCRIPTION | CURRENT YEAR | PRIOR YEAR |
|---------|---|-----------------|---------------|
| ----- | ----- | ----- | ----- |
| | INCOME | | |
| 457 | Services rendered to associate companies | \$ 633,205 | \$ 663,190 |
| 458 | Services rendered to nonassociate companies | -- | -- |
| 421 | Miscellaneous income and loss | -- | -- |
| | | ----- | ----- |

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| | TOTAL INCOME | 633,205 | 663,190 |
|----------------|--|-----------|---------|
| | | ----- | ----- |
| EXPENSES | | | |
| 920 | Salaries and wages | 219,445 | 182,460 |
| 921 | Office supplies and expenses | 419,257 | 295,794 |
| 922 | Administrative expenses transferred - credit | (174,628) | 5,414 |
| 923 | Outside services employed | 101,253 | 73,114 |
| 924 | Property insurance | 141 | (573) |
| 925 | Injuries and damages | 7,324 | 3,528 |
| 926 | Employee pensions and benefits | 6,641 | 52,339 |
| 928 | Regulatory commission expenses | (36) | -- |
| 930.1 | General advertising expenses | 9,071 | 8,917 |
| 930.2 | Miscellaneous general expenses | 14,533 | 3,226 |
| 931 | Rents | 7,930 | 6,698 |
| 932 | Maintenance of structures and equipment | -- | -- |
| 935 | Maintenance of general plant | -- | -- |
| OTHER EXPENSES | | | |
| 403 | Depreciation and amortization expense | -- | -- |
| 408 | Taxes other than income taxes | 14,760 | 13,034 |
| 409 | Income taxes | (3,226) | (4,019) |
| 410 | Provision for deferred income taxes | 1,502 | 4,222 |
| 411 | Provision for deferred income taxes - credit | -- | -- |
| 411.5 | Investment tax credit | -- | -- |
| 416 | Expense from merchandise jobbing and contract work | -- | -- |
| 417.1 | Expenses of nonutility operations | -- | -- |
| 426.1 | Donations | 1,310 | 5,753 |
| 426.5 | Other deductions | 6,942 | 10,962 |
| 427 | Interest on long-term debt | -- | -- |
| 430 | Interest on debt to associate companies | 1,345 | 2,310 |
| 431 | Other interest expense | (359) | 11 |
| | TOTAL EXPENSE | 633,205 | 663,190 |
| | NET INCOME OR (LOSS) | \$ -- | \$ -- |
| | | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

ANALYSIS OF BILLING

ASSOCIATE COMPANIES--ACCOUNT 457
(thousands of dollars)

| NAME OF ASSOCIATE COMPANY | DIRECT COSTS CHARGED | INDIRECT COSTS CHARGED | COMPENSATION FOR USE OF CAPITAL |
|------------------------------------|----------------------|------------------------|---------------------------------|
| ----- | ----- | ----- | ----- |
| | 457-1 | 457-2 | 457-3 |
| Public Service Company of Colorado | \$ 158,506 | \$ 49,132 | \$ 723 |

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| | | | |
|--|------------|------------|----------|
| Southwestern Public Service Company | 50,822 | 17,223 | 147 |
| Cheyenne Light, Fuel and Power Company | 2,042 | 862 | 17 |
| 1480 Welton, Inc. | 30 | 444 | -- |
| e prime, inc. | 900 | 337 | 3 |
| P.S.R. Investments, Inc. | 224 | 67 | -- |
| WestGas InterState, Inc. | 20 | 4 | -- |
| Utility Engineering Corporation | 862 | 1,471 | 121 |
| Xcel Energy Inc. | 17,522 | 3,529 | 25 |
| Xcel Energy International Inc. | 424 | 69 | 1 |
| Xcel Energy-Cadence Inc. | 4 | -- | -- |
| Public Service Company of Colorado (Hayden) | 254 | 1 | -- |
| Planergy International Inc. | 511 | 259 | 22 |
| Xcel Energy-Centrus Inc. | 1 | -- | 1 |
| Public Service Company of Colorado (Tri-State) | 19 | -- | -- |
| Xcel Energy WYCO Inc. | 67 | 22 | -- |
| Xcel Energy Retail Holdings Inc. | 81 | -- | 1 |
| NCE Communications, Inc. | 6 | 9 | -- |
| XERS Inc. | 2,533 | 90 | 9 |
| NSP-MN | 224,932 | 47,735 | 207 |
| NSP-WI | 28,392 | 8,303 | 33 |
| NRG Energy, Inc. | 5,048 | 4,864 | 17 |
| Viking Gas Transmission Company | 473 | 338 | 2 |
| Eloigne Company | 68 | 70 | -- |
| First Midwest Auto Park, Inc. (sold) | 8 | 2 | -- |
| Reddy Kilowatt Corporation | 5 | 6 | -- |
| United Power and Land Company | 136 | 13 | -- |
| Seren Innovations, Inc. | 684 | 780 | 3 |
| Ultra Power Technologies, Inc. | 1 | -- | -- |
| Black Mountain Gas Company | 134 | 143 | 1 |
| Natrogas, Incorporated | 9 | -- | 6 |
| Xcel Energy Ventures Inc. | 1 | -- | 1 |
| Xcel Energy Wholesale Group Inc. | 1 | -- | -- |
| XEPS, LLC (dissolved) | -- | 4 | -- |
| Xcel Energy Transco Inc. | 1,227 | 16 | 4 |
| e-prime Energy Marketing, Inc. | 114 | 5 | 1 |
| e-prime Florida, Inc. | 1 | -- | -- |
| | ----- | ----- | ----- |
| TOTAL | \$ 496,062 | \$ 135,798 | \$ 1,345 |
| | ===== | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

ANALYSIS OF BILLING

NONASSOCIATE COMPANIES--ACCOUNT 458
(thousands of dollars)

INSTRUCTIONS: Provide a brief description of the services rendered to each nonassociate company:

| NAME OF | DIRECT | INDIRECT | COMPENSATION | EXCESS | TOTAL |
|---------|--------|----------|--------------|--------|-------|
|---------|--------|----------|--------------|--------|-------|

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| NONASSOCIATE COMPANY | COSTS CHARGED | COSTS CHARGED | FOR USE OF CAPITAL | TOTAL COST | OR DEFICIENCY | AMOUNT BILLED |
|-------------------------|------------------|------------------|-----------------------|---------------|------------------|------------------|
| ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| | 458-1 | 458-2 | 458-3 | | 458-4 | |

None

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVI--ANALYSIS OF CHARGES FOR SERVICE--
ASSOCIATE AND NONASSOCIATE COMPANIES
(thousands of dollars)

INSTRUCTIONS: Total cost of service will equal for associate and nonassociate companies the total amount billed under their separate analysis of billing schedules.

| | | ASSOCIATE COMPANY CHARGES | | |
|---------|---|---------------------------|------------------|------------|
| ACCOUNT | DESCRIPTION OF ITEMS | DIRECT COST | INDIRECT COST | TOTAL |
| ----- | ----- | ----- | ----- | ----- |
| 920 | Salaries and wages | \$ 184,653 | \$ 34,792 | \$ 219,445 |
| 921 | Office supplies and expenses | 359,640 | 59,617 | 419,257 |
| 922 | Administrative expense transferred - credit | (174,628) | -- | (174,628) |
| 923 | Outside services employed | 76,885 | 24,368 | 101,253 |
| 924 | Property insurance | 137 | 4 | 141 |
| 925 | Injuries and damages | 3,729 | 3,595 | 7,324 |
| 926 | Employee pensions and benefits | 5,404 | 1,237 | 6,641 |
| 928 | Regulatory commission expense | (36) | -- | (36) |
| 930.1 | General advertising expenses | 6,215 | 2,856 | 9,071 |
| 930.2 | Miscellaneous general expense | 12,410 | 2,123 | 14,533 |
| 931 | Rents | 6,930 | 1,000 | 7,930 |
| 932 | Maintenance of structures and equipment | -- | -- | -- |
| 403 | Depreciation and amortization expense | -- | -- | -- |
| 408 | Taxes other than income taxes | 12,612 | 2,148 | 14,760 |
| 409 | Income taxes | (3,226) | -- | (3,226) |
| 410 | Provision for deferred income taxes | 1,502 | -- | 1,502 |
| 411 | Provision for deferred income taxes-credit | -- | -- | -- |
| 411.5 | Investment tax credit | -- | -- | -- |
| 426.1 | Donations | (1,710) | 3,020 | 1,310 |
| 426.5 | Other deductions | 5,700 | 1,242 | 6,942 |
| 427 | Interest on long-term debt | -- | -- | -- |
| 431 | Other interest expense | -- | (359) | (359) |
| | | ----- | ----- | ----- |
| | TOTAL EXPENSES | 496,217 | 135,643 | 631,860 |
| | | ----- | ----- | ----- |

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| | | | | |
|-----|---|------------|------------|------------|
| 430 | Compensation for use of equity capital | -- | -- | -- |
| | Interest on debt to associate companies | 1,345 | | 1,345 |
| | | ----- | ----- | ----- |
| | TOTAL COST OF SERVICE | \$ 497,562 | \$ 135,643 | \$ 633,205 |
| | | ===== | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII-SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | TOTAL AMOUNT | OVERHEAD (1) | EXECUTIVE MGMT SRVS | DEPA |
|---------|---|--------------|--------------|---------------------|-------|
| ----- | ----- | ----- | ----- | ----- | ----- |
| 920 | Salaries and wages | 219,445 | -- | 2,275 | |
| 921 | Office supplies and expenses | 419,257 | -- | 726 | |
| 922 | Administrative expense transferred - credit | (174,628) | -- | -- | |
| 923 | Outside services employed | 101,253 | -- | 1,432 | |
| 924 | Property insurance | 141 | -- | -- | |
| 925 | Injuries and damages | 7,324 | -- | -- | |
| 926 | Employee pensions and benefits | 6,641 | -- | 80 | |
| 928 | Regulatory commission expense | (36) | -- | -- | |
| 930.1 | General advertising expenses | 9,071 | -- | -- | |
| 930.2 | Miscellaneous general expense | 14,533 | -- | 2,343 | |
| 931 | Rents | 7,930 | -- | -- | |
| 932 | Maintenance of structures and equipment | -- | -- | -- | |
| 935 | Maintenance of general plant | -- | -- | -- | |
| 403 | Depreciation and amortization expense | -- | -- | -- | |
| 408 | Taxes other than income taxes | 14,760 | -- | 153 | |
| 409 | Income taxes | (3,226) | -- | -- | |
| 410 | Provision for deferred income taxes | 1,502 | -- | -- | |
| 411 | Provision for deferred income taxes-credit | -- | -- | -- | |
| 411.5 | Investment tax credit | -- | -- | -- | |
| 426.1 | Donations | 1,310 | -- | 71 | |
| 426.5 | Other deductions | 6,942 | -- | 118 | |
| 427 | Interest on long-term debt | -- | -- | -- | |
| 430 | Interest on debt to associate companies | 1,345 | -- | -- | |
| 431 | Other interest expense | (359) | -- | -- | |
| | | ----- | ----- | ----- | ----- |
| | TOTAL EXPENSES | \$ 633,205 | \$ -- | \$ 7,198 | \$ -- |
| | | ===== | ===== | ===== | ===== |

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(1) Overhead costs are included in each Service Function's cost in Accounts 408, 920, 926

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII-SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | DEPARTMENT OR SERVICE | | |
|---------|---|-----------------------|--------------------------|-----------------------------|
| | | CLAIMS SERVICES | CORPORATE COMMUNICATIONS | CORP STRATEGY & BUS DEVELOP |
| 920 | Salaries and wages | 765 | 3,272 | 3,546 |
| 921 | Office supplies and expenses | 144 | 3,777 | 6,483 |
| 922 | Administrative expense transferred - credit | -- | -- | -- |
| 923 | Outside services employed | 86 | 1,937 | 2,747 |
| 924 | Property insurance | 3 | -- | -- |
| 925 | Injuries and damages | -- | -- | -- |
| 926 | Employee pensions and benefits | 18 | 88 | 80 |
| 928 | Regulatory commission expense | -- | -- | -- |
| 930.1 | General advertising expenses | -- | 8,678 | -- |
| 930.2 | Miscellaneous general expense | -- | -- | -- |
| 931 | Rents | -- | 6 | -- |
| 932 | Maintenance of structures and equipment | -- | -- | -- |
| 935 | Maintenance of general plant | -- | -- | -- |
| 403 | Depreciation and amortization expense | -- | -- | -- |
| 408 | Taxes other than income taxes | 41 | 194 | 191 |
| 409 | Income taxes | -- | -- | -- |
| 410 | Provision for deferred income taxes | -- | -- | -- |
| 411 | Provision for deferred income taxes-credit | -- | -- | -- |
| 411.5 | Investment tax credit | -- | -- | -- |
| 426.1 | Donations | -- | 350 | -- |
| 426.5 | Other deductions | -- | (50) | 167 |
| 427 | Interest on long-term debt | -- | -- | -- |
| 430 | Interest on debt to associate companies | -- | -- | -- |
| 431 | Other interest expense | -- | -- | -- |
| | TOTAL EXPENSES | \$ 1,057 | \$ 18,252 | \$ 13,214 |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII-SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | FACILITIES ADMINISTRATIVE SERVICES | SUPPLY CHAIN | SUPPLY C SPECIA PROGRA |
|---------|---|--|-----------------|------------------------------|
| 920 | Salaries and wages | 479 | 5,945 | |
| 921 | Office supplies and expenses | 1,047 | 37,123 | |
| 922 | Administrative expense transferred - credit | -- | (34,554) | |
| 923 | Outside services employed | 2,040 | 3,628 | |
| 924 | Property insurance | -- | 1 | |
| 925 | Injuries and damages | 15 | -- | |
| 926 | Employee pensions and benefits | 4 | 188 | |
| 928 | Regulatory commission expense | -- | -- | |
| 930.1 | General advertising expenses | 2 | -- | |
| 930.2 | Miscellaneous general expense | -- | -- | |
| 931 | Rents | 360 | -- | |
| 932 | Maintenance of structures and equipment | -- | -- | |
| 935 | Maintenance of general plant | -- | -- | |
| 403 | Depreciation and amortization expense | -- | -- | |
| 408 | Taxes other than income taxes | 15 | 392 | |
| 409 | Income taxes | -- | -- | |
| 410 | Provision for deferred income taxes | -- | -- | |
| 411 | Provision for deferred income taxes-credit | -- | -- | |
| 411.5 | Investment tax credit | -- | -- | |
| 426.1 | Donations | -- | 66 | |
| 426.5 | Other deductions | -- | 34 | |
| 427 | Interest on long-term debt | -- | -- | |
| 430 | Interest on debt to associate companies | -- | -- | |
| 431 | Other interest expense | -- | -- | |
| | TOTAL EXPENSES | \$ 3,962 | \$ 12,823 | \$ |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII-SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION

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(thousands of dollars)

DEPARTMENT OR SERVICE FUNCTION

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | DEPARTMENT OR SERVICE FUNCTION | | |
|---------|---|-------------------------------------|--|-------------------|
| | | ACCOUNTING FINANCIAL RPTG AND TAXES | BUSINESS UNIT ACCOUNTING AND BUDGETING | PAYMENT REPORTING |
| 920 | Salaries and wages | 17,875 | 15,804 | 1,3 |
| 921 | Office supplies and expenses | 16,061 | 47,844 | 1 |
| 922 | Administrative expense transferred - credit | (870) | -- | |
| 923 | Outside services employed | 4,292 | 6,210 | 4 |
| 924 | Property insurance | 1 | 1 | |
| 925 | Injuries and damages | (30) | -- | |
| 926 | Employee pensions and benefits | 370 | 428 | |
| 928 | Regulatory commission expense | -- | -- | |
| 930.1 | General advertising expenses | -- | -- | |
| 930.2 | Miscellaneous general expense | 11,757 | 6 | |
| 931 | Rents | 16 | 7 | |
| 932 | Maintenance of structures and equipment | -- | -- | |
| 935 | Maintenance of general plant | -- | -- | |
| 403 | Depreciation and amortization expense | -- | -- | |
| 408 | Taxes other than income taxes | 2,785 | 860 | |
| 409 | Income taxes | (3,226) | -- | |
| 410 | Provision for deferred income taxes | 1,502 | -- | |
| 411 | Provision for deferred income taxes-credit | -- | -- | |
| 411.5 | Investment tax credit | -- | -- | |
| 426.1 | Donations | 5 | 602 | |
| 426.5 | Other deductions | 4,168 | 1,191 | |
| 427 | Interest on long-term debt | -- | -- | |
| 430 | Interest on debt to associate companies | 1,345 | -- | |
| 431 | Other interest expense | (359) | -- | |
| | TOTAL EXPENSES | \$ 55,692 | \$ 72,953 | \$ 2,1 |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII--SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

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INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | DEPARTMENT OR SERVICE FUNCTION | |
|----------------|---|--------------------------------|---|
| | | RATES & REGULATION | ENERGY SUPPLY ENGINEERING & ENVIRONMENTAL |
| 920 | Salaries and wages | 6,826 | 4,992 |
| 921 | Office supplies and expenses | 1,480 | 1,452 |
| 922 | Administrative expense transferred - credit | -- | -- |
| 923 | Outside services employed | 404 | 1,771 |
| 924 | Property insurance | 1 | 7 |
| 925 | Injuries and damages | -- | -- |
| 926 | Employee pensions and benefits | 182 | 111 |
| 928 | Regulatory commission expense | -- | 2 |
| 930.1 | General advertising expenses | 28 | -- |
| 930.2 | Miscellaneous general expense | -- | 67 |
| 931 | Rents | 19 | 10 |
| 932 | Maintenance of structures and equipment | -- | -- |
| 935 | Maintenance of general plant | -- | -- |
| 403 | Depreciation and amortization expense | -- | -- |
| 408 | Taxes other than income taxes | 370 | 247 |
| 409 | Income taxes | -- | -- |
| 410 | Provision for deferred income taxes | -- | -- |
| 411 | Provision for deferred income taxes-credit | -- | -- |
| 411.5 | Investment tax credit | -- | -- |
| 426.1 | Donations | -- | 5 |
| 426.5 | Other deductions | -- | 1 |
| 427 | Interest on long-term debt | -- | -- |
| 430 | Interest on debt to associate companies | -- | -- |
| 431 | Other interest expense | -- | -- |
| TOTAL EXPENSES | | \$ 9,310 | \$ 8,665 |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII-SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

DEPARTMENT OR SERVICE FUNCTION

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| ACCOUNT | DESCRIPTION OF ITEMS | ENERGY | | |
|----------------|---|------------------------------------|-----------------------|----|
| | | ENERGY MARKETS FUEL PROCUREMENT | DELIVERY MARKETING | |
| 920 | Salaries and wages | 3,086 | 1,404 | |
| 921 | Office supplies and expenses | 835 | 918 | |
| 922 | Administrative expense transferred - credit | -- | -- | |
| 923 | Outside services employed | 109 | 581 | |
| 924 | Property insurance | -- | 1 | |
| 925 | Injuries and damages | -- | -- | |
| 926 | Employee pensions and benefits | 78 | 39 | |
| 928 | Regulatory commission expense | -- | -- | |
| 930.1 | General advertising expenses | -- | -- | |
| 930.2 | Miscellaneous general expense | -- | -- | |
| 931 | Rents | 6 | -- | |
| 932 | Maintenance of structures and equipment | -- | -- | |
| 935 | Maintenance of general plant | -- | -- | |
| 403 | Depreciation and amortization expense | -- | -- | |
| 408 | Taxes other than income taxes | 190 | 76 | |
| 409 | Income taxes | -- | -- | |
| 410 | Provision for deferred income taxes | -- | -- | |
| 411 | Provision for deferred income taxes-credit | -- | -- | |
| 411.5 | Investment tax credit | -- | -- | |
| 426.1 | Donations | -- | -- | |
| 426.5 | Other deductions | -- | -- | |
| 427 | Interest on long-term debt | -- | -- | |
| 430 | Interest on debt to associate companies | -- | -- | |
| 431 | Other interest expense | -- | -- | |
| TOTAL EXPENSES | | \$ 4,304 | \$ 3,019 | \$ |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

SCHEDULE XVII--SCHEDULE OF EXPENSE
BY DEPARTMENT OR SERVICE FUNCTION
(thousands of dollars)

INSTRUCTIONS: Indicate each department or service function. (See Instruction 01-3 General Structure of Accounting System: Uniform System of Accounts).

| ACCOUNT | DESCRIPTION OF ITEMS | DEPARTMENT OR SERVICE FUNCTION | | |
|---------|------------------------------|--------------------------------|---------------------|---------------------------|
| | | MARKETING AND SALES | CUSTOMER SERVICE | INFORMATION TECHNOLOGY |
| 920 | Salaries and wages | 19,544 | 33,371 | 7,582 |
| 921 | Office supplies and expenses | 3,368 | 37,411 | 193,328 |

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| | | | | |
|-------|---|-----------|-----------|-----------|
| 922 | Administrative expense transferred - credit | -- | -- | (135,555) |
| 923 | Outside services employed | 4,950 | 4,630 | 8,910 |
| 924 | Property insurance | 11 | 9 | -- |
| 925 | Injuries and damages | -- | -- | -- |
| 926 | Employee pensions and benefits | 612 | 1,225 | 186 |
| 928 | Regulatory commission expense | -- | -- | -- |
| 930.1 | General advertising expenses | 182 | 167 | -- |
| 930.2 | Miscellaneous general expense | 4 | -- | 30 |
| 931 | Rents | 7 | 17 | 57 |
| 932 | Maintenance of structures and equipment | -- | -- | -- |
| 935 | Maintenance of general plant | -- | -- | -- |
| 403 | Depreciation and amortization expense | -- | -- | -- |
| 408 | Taxes other than income taxes | 1,173 | 2,192 | 416 |
| 409 | Income taxes | -- | -- | -- |
| 410 | Provision for deferred income taxes | -- | -- | -- |
| 411 | Provision for deferred income taxes-credit | -- | -- | -- |
| 411.5 | Investment tax credit | -- | -- | -- |
| 426.1 | Donations | 15 | 8 | -- |
| 426.5 | Other deductions | 3 | -- | -- |
| 427 | Interest on long-term debt | -- | -- | -- |
| 430 | Interest on debt to associate companies | -- | -- | -- |
| 431 | Other interest expense | -- | -- | -- |
| | | ----- | ----- | ----- |
| | TOTAL EXPENSES | \$ 29,869 | \$ 79,030 | \$ 74,954 |
| | | ===== | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

DEPARTMENTAL ANALYSIS OF SALARIES--ACCOUNT 920
(thousands of dollars)

DEPARTMENTAL SALARY EXPENSE

| NAME OF DEPARTMENT OR SERVICE FUNCTION | INCLUDED IN AMOUNTS BILLED TO: | | |
|--|--------------------------------|-------------------|---------------------|
| | TOTAL AMOUNT | PARENT COMPANY | OTHER ASSOCIATES |
| ----- | ----- | ----- | ----- |
| Executive Management Services | \$ 2,275 | \$ 326 | \$ 1,949 |
| Internal Audit | 1,717 | 40 | 1,677 |
| Aviation Services | 790 | -- | 790 |
| Government Affairs | 1,698 | 30 | 1,668 |
| Corporate and Employee Communications | 3,272 | 71 | 3,201 |
| Legal | 4,468 | 278 | 4,190 |
| Claims Services | 765 | -- | 765 |
| Corporate Strategy and Business Development | 3,546 | 205 | 3,341 |
| Energy Supply Business Resources | 13,893 | 44 | 13,849 |
| Energy Markets Regulated Trading & Marketing | 15,293 | 335 | 14,958 |
| Energy Supply Engineering & Environmental | 4,992 | 50 | 4,942 |

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| | | | |
|--|------------|-----------|------------|
| Energy Markets Fuel Procurement | 3,086 | 7 | 3,079 |
| Information Technology | 7,582 | 82 | 7,500 |
| Supply Chain | 5,945 | 13 | 5,932 |
| Supply Chain Special Programs | 309 | -- | 309 |
| Investor Relations | 664 | 33 | 631 |
| Payment & Reporting | 1,389 | -- | 1,389 |
| Human Resources | 7,374 | 279 | 7,095 |
| Payroll | 739 | 4 | 735 |
| Rates and Regulation | 6,826 | 4 | 6,822 |
| Accounting, Financial Reporting and Taxes | 17,875 | 8,246 | 9,629 |
| Energy Delivery Engineering/Design | 23,204 | -- | 23,204 |
| Energy Delivery Construction, Oper & Maint | 14,381 | -- | 14,381 |
| Fleet | 797 | -- | 797 |
| Energy Delivery Marketing | 1,404 | -- | 1,404 |
| Customer Service | 33,371 | 2 | 33,369 |
| Marketing and Sales | 19,544 | 7 | 19,537 |
| Facilities & Real Estate | 2,374 | 1 | 2,373 |
| Facilities Administrative Services | 479 | 15 | 464 |
| Finance & Treasury | 2,748 | 115 | 2,633 |
| Business Unit Accounting and Budgeting | 15,804 | 239 | 15,565 |
| Receipts Processing | 841 | -- | 841 |
| | ----- | ----- | ----- |
| TOTAL | \$ 219,445 | \$ 10,426 | \$ 209,019 |
| | ===== | ===== | ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED | SERVICES PROVIDED | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED |
|--------------------------------|-------------------|---|
| ----- | ----- | ----- |
| Legal Services | | |
| Andrew M. Toft | Legal Services | NA |
| Baker Botts, LLP | Legal Services | NA |
| Briggs & Morgan | Legal Services | NA |
| Brooks & Jackson, Inc. | Legal Services | NA |
| Brownstein Hyatt Farber | Legal Services | NA |
| Burford & Ryburn, LLP | Legal Services | NA |
| Charles River Associates, Inc. | Legal Services | NA |
| Dewey Ballantine, LLP | Legal Services | NA |
| Donald Gary Howard | Legal Services | NA |

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| | | |
|-------------------------------------|----------------|----|
| Dorsey & Whitney, LLP | Legal Services | NA |
| Ducker Montgomery & Lewis PC | Legal Services | NA |
| Elzi Pringle & Gurr | Legal Services | NA |
| Faegre & Benson | Legal Services | NA |
| Fredrikson & Byron PA | Legal Services | NA |
| Friedlob Sanderson Raskin & Paulson | Legal Services | NA |
| Gibson, Ochsner & Adkins, LLP | Legal Services | NA |
| Gorsuch Kirgis LLC | Legal Services | NA |
| Gray, Plant, Mooty, Mooty | Legal Services | NA |
| Hinkle, Hensley, Shanor & Martin | Legal Services | NA |
| Hogan & Hartson, LLP | Legal Services | NA |
| Holland & Hart, LLP | Legal Services | NA |
| Holme, Roberts & Owen, LLP | Legal Services | NA |
| Hunton & Williams | Legal Services | NA |
| Jones, Day, Reavis & Pougé | Legal Services | NA |
| Kelly & Ryberg, S. C. | Legal Services | NA |
| Kirby A. Kennedy & Associates | Legal Services | NA |
| Landry & Ludewig, LLP | Legal Services | NA |
| LeBouf, Lamb, Greene & MacRae LLP | Legal Services | NA |
| Lindquist & Vennum | Legal Services | NA |
| Loomis, Ewert, Parsley & Davis | Legal Services | NA |
| McCarthy, Sweeney & Harkaway, PC | Legal Services | NA |
| McDermott, Will & Emery | Legal Services | NA |
| Merchant & Gould PC | Legal Services | NA |
| Messerli & Kramer Attorneys | Legal Services | NA |
| Michael, Best & Friedrich | Legal Services | NA |
| Morgan, Lewis & Bockius, LLP | Legal Services | NA |
| Ove Arup & Partners MA, Inc. | Legal Services | NA |
| Peterson, Farris, Doores & Jones | Legal Services | NA |
| Ramsey Action Program, Inc. | Legal Services | NA |
| Richard V. Huston, DVM | Legal Services | NA |
| Rider, Bennett, Egan & Arundel | Legal Services | NA |
| Robinson, Water & O'Dorisio | Legal Services | NA |
| Shaw Pittman, LLP | Legal Services | NA |
| Shenehon Company | Legal Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| | | |
|---------------------|----------------------|--|
| FROM WHOM PURCHASED | SERVICES PROVIDED | RELATIONS A'=ASSOCIA "NA"=NONASSOC |
| ----- | ----- | ----- |

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| | | |
|---|--|----|
| Skadden, Arps, Slate, Meagher & Flom | Legal Services | NA |
| Slover & Loftus | Legal Services | NA |
| Squire, Sanders & Dempsey | Legal Services | NA |
| Stone & Webster Consultants | Legal Services | NA |
| Thelen, Reid & Priest, LLP | Consulting/Outside Services | NA |
| Thompson, Hine & Flory, LLP | Legal Services | NA |
| Trivue | Legal Services | NA |
| White & Steele | Legal Services | NA |
| Winston & Strawn | Legal Services | NA |
| Other (234) | Various | |
| | Total Legal Services | |
| | | |
| Auditing, Tax, Consulting and Accounting Services | | |
| Arthur Andersen LLP | Auditing, Tax and Other Services | NA |
| Deloitte & Touche LLP | Auditing, Tax and Other Services | NA |
| Price Waterhouse Coopers | Auditing, Tax and Other Services | NA |
| | Total Auditing, Tax, Consulting and Other Serv | |
| | | |
| Consulting/Outside Services | | |
| ABB, Inc. | Consulting/Outside Services | NA |
| Acconite Corporation | Consulting/Outside Services | NA |
| Accountants on Call | Consulting/Outside Services | NA |
| Acme \$ of Ormond Beach, Inc. | Consulting/Outside Services | NA |
| Adecco Employment Service | Consulting/Outside Services | NA |
| ADP Investor Community Service | Consulting/Outside Services | NA |
| Affiliated Credit Services, Inc. | Consulting/Outside Services | NA |
| Ajilon Finance | Consulting/Outside Services | NA |
| Alan W. Burgess M.D. | Consulting/Outside Services | NA |
| All Bases Covered | Consulting/Outside Services | NA |
| Alliant Energy | Consulting/Outside Services | NA |
| Allied Interstate, Inc. | Consulting/Outside Services | NA |
| Alstom ESCA Corporation | Consulting/Outside Services | NA |
| Altech Environmental | Consulting/Outside Services | NA |
| Amarillo National Bank | Consulting/Outside Services | NA |
| American Civil Constructors | Consulting/Outside Services | NA |
| American Society For Quality | Consulting/Outside Services | NA |
| AOC | Consulting/Outside Services | NA |
| Applied Energy Group | Consulting/Outside Services | NA |
| Arthur T. Nakata | Consulting/Outside Services | NA |
| Arundel Street Consulting, Inc. | Consulting/Outside Services | NA |
| Ascential Software | Consulting/Outside Services | NA |
| Aspect Communications Corp. | Consulting/Outside Services | NA |
| Association of Electric | Consulting/Outside Services | NA |
| AT&T | Consulting/Outside Services | NA |
| Automation Solution, Inc. | Consulting/Outside Services | NA |

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OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED ----- |
|---|-------------------------------|--|
| AVI Systems | Consulting/Outside Services | NA |
| Barr Engineering | Consulting/Outside Services | NA |
| BB Solutions | Consulting/Outside Services | NA |
| Beacon Consulting Group, Inc. | Consulting/Outside Services | NA |
| Bearing Point | Consulting/Outside Services | NA |
| Belair Builders, Inc. | Consulting/Outside Services | NA |
| Benco Messenger Service, Inc. | Consulting/Outside Services | NA |
| Black & Veatch, Engineering-Architectural | Consulting/Outside Services | NA |
| Black Diamond | Consulting/Outside Services | NA |
| Boice Dunham Group | Consulting/Outside Services | NA |
| Bowe Systec, Inc. | Consulting/Outside Services | NA |
| Bowne of Minnesota | Consulting/Outside Services | NA |
| Brayden Automation Corp. | Consulting/Outside Services | NA |
| BST Project Costs | Consulting/Outside Services | NA |
| B.T. Construction, Inc. | Consulting/Outside Services | NA |
| Burns & McDonnell, Inc. | Consulting/Outside Services | NA |
| Business Wire Corp. | Consulting/Outside Services | NA |
| C. I. Technologies | Consulting/Outside Services | NA |
| C. Barela | Consulting/Outside Services | NA |
| C. V. Selman & Associates, Inc. | Consulting/Outside Services | NA |
| Campbell Services, Inc. | Consulting/Outside Services | NA |
| Capitol Advantage, Inc. | Consulting/Outside Services | NA |
| Carlson School of Management | Consulting/Outside Services | NA |
| Cedar Corporation | Consulting/Outside Services | NA |
| Central Minnesota Delivery | Consulting/Outside Services | NA |
| CH2M Hill, Inc. | Consulting/Outside Services | NA |
| Change Solutions, Inc. | Consulting/Outside Services | NA |
| Charan Associates, Inc. | Consulting/Outside Services | NA |
| Citigate Dewe Rogerson, Inc. | Consulting/Outside Services | NA |
| Coherent Solutions, Inc. | Consulting/Outside Services | NA |
| Collins Electrical Construction Co. | Consulting/Outside Services | NA |
| Colorado Springs Utilities | Consulting/Outside Services | NA |
| Colorado State University | Consulting/Outside Services | NA |
| Commonwealth Associates, Inc. | Consulting/Outside Services | NA |
| Community Action of Minneapolis | Consulting/Outside Services | NA |
| Compact Offer | Consulting/Outside Services | NA |
| Compucom Systems, Inc. | Consulting/Outside Services | NA |
| Computer Contract Consultant | Consulting/Outside Services | NA |
| Computer Systems & Software, Inc. | Consulting/Outside Services | NA |
| Comtec, Inc. | Consulting/Outside Services | NA |
| Concours Group | Consulting/Outside Services | NA |
| Contract Engineering Services, Inc. | Consulting/Outside Services | NA |
| Contrino Direct Marketing | Consulting/Outside Services | NA |
| Cook Systems International | Consulting/Outside Services | NA |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED ----- |
|---|-------------------------------|--|
| Copeland Trucking | Consulting/Outside Services | NA |
| Copyright Clearance Center | Consulting/Outside Services | NA |
| Curtis 1000 | Consulting/Outside Services | NA |
| Custom Compliance Solutions | Consulting/Outside Services | NA |
| Dave Coil | Consulting/Outside Services | NA |
| DCP Consulting | Consulting/Outside Services | NA |
| DDI Consulting, Inc. | Consulting/Outside Services | NA |
| Decicion Analyst, Inc. | Consulting/Outside Services | NA |
| Dees Consultancy, Inc. | Consulting/Outside Services | NA |
| Dennhardt & Associates | Consulting/Outside Services | NA |
| Dennis & Company | Consulting/Outside Services | NA |
| Distributed Office Environment | Consulting/Outside Services | NA |
| Dolores Ann Harris | Consulting/Outside Services | NA |
| Dominion Construction Co. | Consulting/Outside Services | NA |
| Don Turner Consultants | Consulting/Outside Services | NA |
| Douglas Brandon | Consulting/Outside Services | NA |
| DRI-WEFA | Consulting/Outside Services | NA |
| DST Output, Inc. | Consulting/Outside Services | NA |
| Dstar | Consulting/Outside Services | NA |
| e prime, inc. | Consulting/Outside Services | A |
| Earth Tech, Inc. | Consulting/Outside Services | NA |
| Easi Document Integration | Consulting/Outside Services | NA |
| Eckhoff Services, Inc. | Consulting/Outside Services | NA |
| EDI Business Group, Inc. | Consulting/Outside Services | NA |
| Efficiency Engineering, Inc. | Consulting/Outside Services | NA |
| Eide Bailly LLP | Consulting/Outside Services | NA |
| Electric Software Products | Consulting/Outside Services | NA |
| Electrocon International, Inc. | Consulting/Outside Services | NA |
| Electronic Security Systems, Inc. | Consulting/Outside Services | NA |
| Elite Energy | Consulting/Outside Services | NA |
| Elmwood Solutions, Inc. | Consulting/Outside Services | NA |
| Eloquor Consulting, Inc. | Consulting/Outside Services | NA |
| Emergency Outfitters Inc. | Consulting/Outside Services | NA |
| Emergingsoft Corp. | Consulting/Outside Services | NA |
| Empirix, Inc. | Consulting/Outside Services | NA |
| Employee/Management Involvement Concept | Consulting/Outside Services | NA |
| Encomm Midwest | Consulting/Outside Services | NA |
| Energy Design Assistance Programs | Consulting/Outside Services | NA |

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| | | |
|-------------------------------------|-----------------------------|----|
| Energy Packaging Solutions LLC | Consulting/Outside Services | NA |
| Engineering Repro Systems | Consulting/Outside Services | NA |
| Entegeee Advance Possis | Consulting/Outside Services | NA |
| Energy Services, Inc. | Consulting/Outside Services | NA |
| Envinta Corporation | Consulting/Outside Services | NA |
| EPRI | Consulting/Outside Services | NA |
| Equifax Credit Information Services | Consulting/Outside Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHI A '=ASSOCIAT "NA"=NONASSOCI ----- |
|---------------------------------------|-------------------------------|--|
| Erin Engineering & Research, Inc. | Consulting/Outside Services | NA |
| Eurasia Business Services | Consulting/Outside Services | NA |
| Evelyn Logan | Consulting/Outside Services | NA |
| Evergreen Caissons, Inc. | Consulting/Outside Services | NA |
| Executive Development Center | Consulting/Outside Services | NA |
| Express Personnel Services | Consulting/Outside Services | NA |
| Financial Engineering Associates | Consulting/Outside Services | NA |
| First Call Association | Consulting/Outside Services | NA |
| Flowserve | Consulting/Outside Services | NA |
| Ford Personnel Services, Inc. | Consulting/Outside Services | NA |
| Freelance Creative | Consulting/Outside Services | NA |
| GAB Robins | Consulting/Outside Services | NA |
| Gantz Wiley Research | Consulting/Outside Services | NA |
| GE Energy Management Service | Consulting/Outside Services | NA |
| GE Young & Company | Consulting/Outside Services | NA |
| Geduldig & Ferguson, Inc. | Consulting/Outside Services | NA |
| General Litho Services, Inc. | Consulting/Outside Services | NA |
| General Physics Corporation | Consulting/Outside Services | NA |
| GEO Digital Technologies, Inc. | Consulting/Outside Services | NA |
| GeoMatrix Consulting | Consulting/Outside Services | NA |
| GIGA Information Group | Consulting/Outside Services | NA |
| Global Atmospheric, Inc. | Consulting/Outside Services | NA |
| Gold Cross Courier Service, Inc. | Consulting/Outside Services | NA |
| Governmental Strategies, Inc. | Consulting/Outside Services | NA |
| Gradstaff, Inc. | Consulting/Outside Services | NA |
| Grant Online System | Consulting/Outside Services | NA |
| Great Southwestern Construction, Inc. | Consulting/Outside Services | NA |
| Greta Johnson | Consulting/Outside Services | NA |
| Gunther Douglas, Inc. | Consulting/Outside Services | NA |

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| | | |
|-----------------------------------|-----------------------------|----|
| H. Zinder & Associates, Inc. | Consulting/Outside Services | NA |
| Hanley-Wood Integrated | Consulting/Outside Services | NA |
| Hayes Consulting Company, LLC | Consulting/Outside Services | NA |
| Health Promotion Management, Inc. | Consulting/Outside Services | NA |
| Healthone Clinic Services | Consulting/Outside Services | NA |
| Helmer Printing, Inc. | Consulting/Outside Services | NA |
| High Energy Group, Inc. | Consulting/Outside Services | NA |
| Hoeft Appliance Center | Consulting/Outside Services | NA |
| Holly D. Neel | Consulting/Outside Services | NA |
| Honeywell | Consulting/Outside Services | NA |
| Hospital Shared Services | Consulting/Outside Services | NA |
| Hotchkiss, Inc. | Consulting/Outside Services | NA |
| IBM | Consulting/Outside Services | NA |
| Imcorp | Consulting/Outside Services | NA |
| Indicon | Consulting/Outside Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED ----- |
|----------------------------------|-------------------------------|--|
| Indus International | Consulting/Outside Services | NA |
| Information Handling Services | Consulting/Outside Services | NA |
| Insights Unlimited | Consulting/Outside Services | NA |
| Instrument Manufacturing Co. | Consulting/Outside Services | NA |
| IOS Capital | Consulting/Outside Services | NA |
| Iota Development Corporation | Consulting/Outside Services | NA |
| Iron Mountain Confidential | Consulting/Outside Services | NA |
| Iron Mountain Records Management | Consulting/Outside Services | NA |
| Jeane Thorne | Consulting/Outside Services | NA |
| Jefferson Wells | Consulting/Outside Services | NA |
| Johnston & Associates LLC | Consulting/Outside Services | NA |
| Julia Evans | Consulting/Outside Services | NA |
| Juran Institute, Inc. | Consulting/Outside Services | NA |
| Kathy Kriner | Consulting/Outside Services | NA |
| Keane, Inc. | Consulting/Outside Services | NA |
| Kelly Services, Inc. | Consulting/Outside Services | NA |
| Keltoi Consulting LLC | Consulting/Outside Services | NA |
| Kema Consulting, Inc. | Consulting/Outside Services | NA |
| Kim Michael Staudt | Consulting/Outside Services | NA |

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| | | |
|----------------------------------|-----------------------------|----|
| Kintana, Inc. | Consulting/Outside Services | NA |
| Lamber Macgillthomas, Inc. | Consulting/Outside Services | NA |
| Leo Tinoco | Consulting/Outside Services | NA |
| Liaison Creative Services | Consulting/Outside Services | NA |
| Lindberg Consulting | Consulting/Outside Services | NA |
| Lisa Hives | Consulting/Outside Services | NA |
| Logic Bay Corporation | Consulting/Outside Services | NA |
| Madelia Sub | Consulting/Outside Services | NA |
| Management Systems International | Consulting/Outside Services | NA |
| Manitoba HVDC Research Center | Consulting/Outside Services | NA |
| Manpower Temporary Services | Consulting/Outside Services | NA |
| Market & Johnson, Inc. | Consulting/Outside Services | NA |
| Market Strategies, Inc. | Consulting/Outside Services | NA |
| Mary E. Miura | Consulting/Outside Services | NA |
| Mass Mutual Financial Group | Consulting/Outside Services | NA |
| Matt Myers Consulting | Consulting/Outside Services | NA |
| Mavo Systems, Inc. | Consulting/Outside Services | NA |
| Maxim Technologies, Inc. | Consulting/Outside Services | NA |
| MCM Consulting | Consulting/Outside Services | NA |
| McPherson Group, Inc. | Consulting/Outside Services | NA |
| McWilliams & Associates | Consulting/Outside Services | NA |
| Media Mosaic | Consulting/Outside Services | NA |
| Meridian Aggregates Co., LLP | Consulting/Outside Services | NA |
| Merrick & Company | Consulting/Outside Services | NA |
| Metro Connections, Inc. | Consulting/Outside Services | NA |
| Metropolitan Mechanical | Consulting/Outside Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED ----- |
|--------------------------------|-------------------------------|--|
| Michigan Technology University | Consulting/Outside Services | NA |
| MidAmerican Energy Company | Consulting/Outside Services | NA |
| Midwest ISO | Consulting/Outside Services | NA |
| Mile High Corporate Services | Consulting/Outside Services | NA |
| Mile High Properties, LLC | Consulting/Outside Services | NA |
| Miner & Miner | Consulting/Outside Services | NA |
| Minneapolis Consulting Group | Consulting/Outside Services | NA |
| Minnesota Wild | Consulting/Outside Services | NA |
| Minnertainment Company | Consulting/Outside Services | NA |
| Monique Lovato | Consulting/Outside Services | NA |

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| | | |
|---|-----------------------------|----|
| Moody's Investor Service | Consulting/Outside Services | NA |
| Morris Schriem | Consulting/Outside Services | NA |
| Mueller Pipeliners, Inc. | Consulting/Outside Services | NA |
| Munchiando Excavating | Consulting/Outside Services | NA |
| Nantech Consulting | Consulting/Outside Services | NA |
| National Barricade | Consulting/Outside Services | NA |
| Nationwide Advertising Service | Consulting/Outside Services | NA |
| Navigant Consulting, Inc. | Consulting/Outside Services | NA |
| NETG | Consulting/Outside Services | NA |
| New Energy Associates LLC | Consulting/Outside Services | NA |
| New Harbor, Inc. | Consulting/Outside Services | NA |
| New York Stock Exchange, Inc. | Consulting/Outside Services | NA |
| Nexant, Inc. | Consulting/Outside Services | NA |
| Northwest Electrical Systems | Consulting/Outside Services | NA |
| Northwestern Travel Agency | Consulting/Outside Services | NA |
| Northwrite, Inc. | Consulting/Outside Services | NA |
| Occupational Medicine | Consulting/Outside Services | NA |
| Office Team | Consulting/Outside Services | NA |
| Opus 21 Management Solutions | Consulting/Outside Services | NA |
| Oracular of Minnesota | Consulting/Outside Services | NA |
| Otter Tail Power Company | Consulting/Outside Services | NA |
| Output Technology Solutions | Consulting/Outside Services | NA |
| PA Consulting Group | Consulting/Outside Services | NA |
| Pace Analytical Services, Inc. | Consulting/Outside Services | NA |
| Pacioli Companies | Consulting/Outside Services | NA |
| Padilla, Speer Beardsley, Inc. | Consulting/Outside Services | NA |
| Par Electrical Contractors | Consulting/Outside Services | NA |
| Parson Group, LLC | Consulting/Outside Services | NA |
| Partnership Continuum, Inc. | Consulting/Outside Services | NA |
| People Soft USA | Consulting/Outside Services | NA |
| Percite Information Technology | Consulting/Outside Services | NA |
| Personnel Decisions International Corp. | Consulting/Outside Services | NA |
| Pettigrew & Associates | Consulting/Outside Services | NA |
| Pettus Construction LLC | Consulting/Outside Services | NA |
| Pirelli Cables & Systems N. A. | Consulting/Outside Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| | | |
|---------------------|-------------------|---|
| FROM WHOM PURCHASED | SERVICES PROVIDED | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED |
| ----- | ----- | ----- |

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| | | |
|-----------------------------------|-----------------------------|----|
| PIRA Energy Group | Consulting/Outside Services | NA |
| Power Plan Consultants, Inc. | Consulting/Outside Services | NA |
| Power Technologies, Inc. | Consulting/Outside Services | NA |
| Powerhouse Rigging | Consulting/Outside Services | NA |
| Precision Resource Co. | Consulting/Outside Services | A |
| Premier Personnel | Consulting/Outside Services | NA |
| Pro Staff Personnel Services | Consulting/Outside Services | NA |
| Prosource Technologies | Consulting/Outside Services | NA |
| Quantum Consulting & Placement | Consulting/Outside Services | NA |
| Rainier Technology, Inc. | Consulting/Outside Services | NA |
| Rapidigm, Inc. | Consulting/Outside Services | NA |
| Red Planet Consulting, Inc. | Consulting/Outside Services | NA |
| Reichman, Karten Sword, Inc. | Consulting/Outside Services | NA |
| Rellek Dev., Inc. | Consulting/Outside Services | NA |
| RER, Inc. | Consulting/Outside Services | NA |
| Resolution, Inc. | Consulting/Outside Services | NA |
| Resources Connection, Inc. | Consulting/Outside Services | NA |
| Reuters America, Inc. | Consulting/Outside Services | NA |
| RHI Management Resources | Consulting/Outside Services | NA |
| Richter Scale Productions, Inc. | Consulting/Outside Services | NA |
| Rick Souther Photography | Consulting/Outside Services | NA |
| Right Management Consulting, Inc. | Consulting/Outside Services | NA |
| RJ Services, Inc. | Consulting/Outside Services | NA |
| RM Software, Inc. | Consulting/Outside Services | NA |
| RNL Solutions | Consulting/Outside Services | NA |
| Robert Half | Consulting/Outside Services | NA |
| Robert Reents | Consulting/Outside Services | NA |
| Robins, Kaplan, Miller & Ciresi | Consulting/Outside Services | NA |
| Rocky Mountain Security | Consulting/Outside Services | NA |
| Ronald A. Jerich & Associates | Consulting/Outside Services | NA |
| RSM Enterprises | Consulting/Outside Services | NA |
| Russeth, Inc. | Consulting/Outside Services | NA |
| S G S Statistical Services LLC | Consulting/Outside Services | NA |
| S.A. Robotics | Consulting/Outside Services | NA |
| Safety Kleen Corporation | Consulting/Outside Services | NA |
| Sage Results, Inc. | Consulting/Outside Services | NA |
| Scott Madden & Associates | Consulting/Outside Services | NA |
| SDS Architects, Inc. | Consulting/Outside Services | NA |
| Security Solutions, LLC | Consulting/Outside Services | NA |
| Sedway Consulting, Inc. | Consulting/Outside Services | NA |
| Seever Courier Service | Consulting/Outside Services | NA |
| Shared Resource Management | Consulting/Outside Services | NA |
| Shareholder.Com | Consulting/Outside Services | NA |
| Sheldon J. Harris | Consulting/Outside Services | NA |
| Siemens | Consulting/Outside Services | NA |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included

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within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED ----- | SERVICES PROVIDED ----- | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED ----- |
|---------------------------------|-------------------------------|--|
| Siemens Building Technologies | Consulting/Outside Services | NA |
| Siemens Power T&D, Inc. | Consulting/Outside Services | NA |
| Simpson Partnership Inc. | Consulting/Outside Services | NA |
| Sitrick & Co., Inc. | Consulting/Outside Services | NA |
| Smart Partners | Consulting/Outside Services | NA |
| Soft Link, Inc. | Consulting/Outside Services | NA |
| Soft Scape, Inc. | Consulting/Outside Services | NA |
| Software Architects, Inc. | Consulting/Outside Services | NA |
| Solutions Marketing Consulting | Consulting/Outside Services | NA |
| Somos, Inc. | Consulting/Outside Services | NA |
| Sopheon Corporation | Consulting/Outside Services | NA |
| Sprint Express, Inc. | Consulting/Outside Services | NA |
| Standard & Poor's Corp. | Consulting/Outside Services | NA |
| Staubach Company | Consulting/Outside Services | NA |
| Staubach Management Services | Consulting/Outside Services | NA |
| Stop Processing Center | Consulting/Outside Services | NA |
| Stratplans, Inc. | Consulting/Outside Services | NA |
| Summit Blue Consulting | Consulting/Outside Services | NA |
| Sungard Energy Systems, Inc. | Consulting/Outside Services | NA |
| Superior Seven Mile Creek Land | Consulting/Outside Services | NA |
| Superior Special Services, Inc. | Consulting/Outside Services | NA |
| Svingen Athens Russell, Et. Al. | Consulting/Outside Services | NA |
| Swanson Consulting Group | Consulting/Outside Services | NA |
| Synergetic Design | Consulting/Outside Services | NA |
| Synova, Inc. | Consulting/Outside Services | NA |
| TB Industries, Inc. | Consulting/Outside Services | NA |
| Technology Resource Group, Inc. | Consulting/Outside Services | NA |
| TekSystems, Inc. | Consulting/Outside Services | NA |
| Tension Envelope | Consulting/Outside Services | NA |
| The Blackstone Group LP | Consulting/Outside Services | NA |
| The Gallup Group | Consulting/Outside Services | NA |
| The Marathon Group | Consulting/Outside Services | NA |
| The Maris Group | Consulting/Outside Services | NA |
| The Market Solutions Group | Consulting/Outside Services | NA |
| The Smith Free Group | Consulting/Outside Services | NA |
| The St. Paul Companies | Consulting/Outside Services | NA |
| The Westin Westminster | Consulting/Outside Services | NA |
| The Writers Group | Consulting/Outside Services | NA |
| Theobald & Associates | Consulting/Outside Services | NA |
| TMP Worldwide | Consulting/Outside Services | NA |
| Tony Kwilas | Consulting/Outside Services | NA |
| Top Echelon Contracting, Inc. | Consulting/Outside Services | NA |
| Towers Perrin | Consulting/Outside Services | NA |
| Trans Alarm | Consulting/Outside Services | NA |

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For the Year Ended December 31, 2002

OUTSIDE SERVICES EMPLOYED--ACCOUNT 923
(thousands of dollars)

INSTRUCTIONS: Provide a breakdown of outside services employed. If the aggregate amounts paid to any one payee and included within one category is less than \$25,000, only the aggregate number and amount of all such payments included within the subaccounts need be shown. Provide a subtotal for each type of service.

| FROM WHOM PURCHASED | SERVICES PROVIDED | RELATIONSHIP A'=ASSOCIATED "NA"=NONASSOCIATED |
|-------------------------------------|-----------------------------------|---|
| Transformer Disposal | Consulting/Outside Services | NA |
| TRC Mariah Associates, Inc. | Consulting/Outside Services | NA |
| Tri-State Generation & Transmission | Consulting/Outside Services | NA |
| Two Degrees | Consulting/Outside Services | NA |
| Ulteig Engineers, Inc. | Consulting/Outside Services | NA |
| UMS Group | Consulting/Outside Services | NA |
| United Accounts, Inc. | Consulting/Outside Services | NA |
| United Business Mail | Consulting/Outside Services | NA |
| United Parcel Service | Consulting/Outside Services | NA |
| Universal Field Services, Inc. | Consulting/Outside Services | NA |
| Universal Network Solutions | Consulting/Outside Services | NA |
| UP Tempo Consulting | Consulting/Outside Services | NA |
| Utilities International, Inc. | Consulting/Outside Services | NA |
| Utility Engineering | Consulting/Outside Services | A |
| Verifications, Inc. | Consulting/Outside Services | NA |
| Verint Systems, Inc. | Consulting/Outside Services | NA |
| Veritas Software Corporation | Consulting/Outside Services | NA |
| Visa | Consulting/Outside Services | NA |
| Visimetrix, Inc. | Consulting/Outside Services | NA |
| Vision Technologies, Inc. | Consulting/Outside Services | NA |
| Volt Services Group | Consulting/Outside Services | NA |
| Vonasek & Schieffer, Inc. | Consulting/Outside Services | NA |
| W. L. Hall Company | Consulting/Outside Services | NA |
| Wackenhut | Consulting/Outside Services | NA |
| Waltco, Inc. | Consulting/Outside Services | NA |
| Ware Consulting LLC | Consulting/Outside Services | NA |
| Waste Management | Consulting/Outside Services | NA |
| Waukesha Electric Systems, Inc. | Consulting/Outside Services | NA |
| Weatherdata, Inc. | Consulting/Outside Services | NA |
| Webmethods, Inc. | Consulting/Outside Services | NA |
| Wells Fargo Shareowner Service | Consulting/Outside Services | NA |
| Wenck Associates, Inc. | Consulting/Outside Services | NA |
| Western Area Power Associates | Consulting/Outside Services | NA |
| Wilbanks Corporation | Consulting/Outside Services | NA |
| Wilbanks Resources Corp. | Consulting/Outside Services | NA |
| Xerox | Consulting/Outside Services | NA |
| Yamamoto/Moss, Inc. | Consulting/Outside Services | NA |
| Z Systems | Consulting/Outside Services | NA |
| Zechman & Associates | Consulting/Outside Services | NA |
| Other (1291) | Various | NA |
| | Total Consulting/Outside Services | |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

EMPLOYEE PENSION AND BENEFITS--ACCOUNT 926
(thousands of dollars)

INSTRUCTIONS: Provide a listing of each pension plan and benefit program provided by the service company. Such listing should be limited to \$25,000.

| DESCRIPTION ----- | AMOUNT ----- |
|--|-------------------|
| Pensions | \$ (23,457) |
| Managed Health Care/Dental/Vision | 16,882 |
| Employee Savings Plans (401K) | 4,668 |
| Supplemental Executive Retirement Plan | 4,308 |
| Post Retirement Health Care | 2,692 |
| Life Insurance | 1,351 |
| Benefit Wave Election | 369 |
| Post Employment Benefits | (172) |
| | ----- |
| TOTAL | \$ 6,641 ===== |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

GENERAL ADVERTISING EXPENSE--ACCOUNT 930.1
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

| DESCRIPTION ----- | NAME OF PAYEE ----- | AMOUNT ----- |
|----------------------|------------------------|-----------------|
|----------------------|------------------------|-----------------|

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| | | |
|--------------------------------|-----------------------------------|----------|
| Ad Agency/Advertising/Printing | McClain Finlon Advertising Inc. | \$ 3,034 |
| Advertising - Sponsorship | St. Paul Facilities Management | 1,339 |
| Advertising | Pepsi Center | 1,110 |
| Advertising | Xcel Energy Center | 1,054 |
| Advertising - Sponsorship | Minnesota Wild Hockey Club | 940 |
| Printing | Goldstein's | 328 |
| Advertising | Minntertainment Co. | 250 |
| Printing | Hotchkiss, Inc. | 77 |
| Printing | General Litho Services, Inc. | 71 |
| Advertising | Grand Excursion, Inc. | 60 |
| Advertising | TMP Worldwide | 58 |
| Advertising - Sponsorship | Penumbra Theatre Company | 51 |
| Advertising | Home Builders Association | 42 |
| Advertising | Texas Panhandle Heritage | 40 |
| Advertising | Saint Paul Festival & Heritage | 37 |
| Advertising | City of Sioux Falls | 35 |
| Advertising - Sponsorship | Downtown Denver Partnership, Inc. | 33 |
| Printing | Merit Printing | 30 |
| Advertising | Minneapolis Downtown Council | 27 |
| Advertising | Colorado Press Association | 26 |
| Advertising | Culture, Inc. | 25 |
| Advertising | Nexus Energy Software, Inc. | 25 |
| Advertising - Sponsorship | U.S. Hockey Hall of Fame | 25 |
| Advertising | St. Paul Area Chamber of Commerce | 22 |
| Advertising | Nationwide Advertising, Inc. | 21 |
| Advertising | Market Solutions Group | 20 |
| Advertising | Saint Paul Riverfront Corp | 20 |
| Printing | DST Output, Inc. | 20 |
| Advertising/Printing | Monique Lovato | 16 |
| Advertising | Griffin Communications, Inc. | 13 |
| Advertising | RTD Marketing Dept. | 12 |
| Advertising | St. Josephs Home For Children | 10 |
| Printing | Output Technology Solutions, Inc. | 9 |
| Advertising | Jonathon Treat | 9 |
| Advertising | Great Plains Institute | 8 |
| Advertising - Consulting | Stop Process Center | 8 |
| Advertising | Ordway Circle of Stars | 8 |
| Advertising | Plaza Research | 7 |
| Printing | Pyramid Print & Graphics | 7 |
| Printing | Park Printing | 6 |
| Advertising - Sponsorship | National Association of Investors | 6 |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

GENERAL ADVERTISING EXPENSE--ACCOUNT 930.1
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 930.1, "General Advertising Expenses", classifying the items according to the nature of the advertising and as defined in the account definition. If a particular class includes an amount in excess of \$3,000 applicable to a single payee, show separately the name of the payee and the aggregate amount applicable thereto.

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| DESCRIPTION | NAME OF PAYEE | AMOUNT |
|---------------------------|--------------------------------------|--------|
| ----- | ----- | ----- |
| Advertising | Lubbock Rate Campaign | |
| Advertising | Casa De Esperanza | |
| Advertising | Como Zoo & Conservatory | |
| Advertising | Marshall Fields Symphony Ball | |
| Advertising | National Council of Jewish Women | |
| Advertising | The Childrens Theatre Co. | |
| Advertising | United Hospital Foundation | |
| Advertising | Denver Regional Council of Gov | |
| Advertising | Educational Development Specialists | |
| Advertising | Minority Business Entrepreneur | |
| Advertising | Insight Consulting | |
| Advertising | The Pines At Genesse, LLC | |
| Advertising | Peanuts on Parade | |
| Advertising | Denver Business Journal | |
| Advertising | Boys & Girls Club of the Twin Cities | |
| Advertising - Consulting | Japanese Society for Quality Control | |
| Miscellaneous Advertising | Various (94) | |

TOTAL \$ 9,0

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

MISCELLANEOUS GENERAL EXPENSES--ACCOUNT 930.2
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 930.2, "Miscellaneous General Expenses" classifying such expenses according to their nature. Payments and expenses permitted by Section 321 (b)(2) of the Federal Election Campaign Act, as amended by Public Law 94-283 in 1976 (2 U.S.C. 441 (b)(2)) shall be separately classified.

| DESCRIPTION | AMOUNT |
|-------------------------------------|-----------|
| ----- | ----- |
| Utility Association Dues | \$ 1,424 |
| Board of Director Fees and Expenses | 2,315 |
| Shared Asset costs (1) | 10,786 |
| Shareholder Relations expenses | 8 |
| | ----- |
| TOTAL | \$ 14,533 |
| | ===== |

(1) Costs for capital assets utilized by more than one affiliate company

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RENTS--ACCOUNT 931
(thousands of dollars)

| TYPE OF PROPERTY ----- | AMOUNT ----- |
|---------------------------|-------------------|
| Rents - Office Space | \$ 7,930 ----- |
| TOTAL | \$ 7,930 ===== |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

TAXES OTHER THAN INCOME TAXES--ACCOUNT 408
(thousands of dollars)

INSTRUCTIONS: Provide an analysis of Account 408 "Taxes Other Than Income Taxes". Separate the analysis into two groups: (1) other than U.S. Government taxes, and (2) U.S. Government taxes. Specify each of the various kinds of taxes and show the amounts thereof. Provide a subtotal for each class of tax.

| KIND OF TAX ----- | AMOUNT ----- |
|--|-------------------|
| Other Than U.S. Government Taxes: | |
| State Unemployment Taxes | \$ 751 |
| Franchise Tax - Texas, Kansas, Delaware, Ohio and New Mexico | 222 |
| Other - various | 89 |
| | ----- |
| SUBTOTAL | 1,062 |
| | ----- |
| U.S. Government Taxes: | |
| Social Security Taxes | 13,499 |
| Federal Unemployment Taxes | 199 |
| | ----- |
| SUBTOTAL | 13,698 |
| | ----- |
| TOTAL | \$14,760 ===== |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

DONATIONS--ACCOUNT 426.1
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations", classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

| NAME OF RECIPIENT ----- | PURPOSE OF DONATION ----- | AMOUNT ----- |
|--------------------------------------|--|-----------------|
| 2002 Sponsorship NMBA Convention | Contribution to support community assistance | \$ 3 |
| Asian Chamber of Commerce | Contribution to support community assistance | 5 |
| Business Social Awards | Contribution to support community assistance | 4 |
| CACI | Contribution to support community assistance | 5 |
| Center for New Americans | Contribution to support community assistance | 10 |
| City of Arvada; Arvada Center | Contribution to support community assistance | 3 |
| City of Milaca Fire Department | Contribution to support community assistance | 3 |
| Colorado Black Chamber of Commerce | Contribution to support community assistance | 10 |
| Colorado Business Hall of Fame | Contribution to support community assistance | 5 |
| Colorado Women's Chamber of Commerce | Contribution to support community assistance | 10 |
| CSG/Legislators Forum | Contribution to support community assistance | 5 |
| Denver Hispanic Chamber of Commerce | Contribution to support community assistance | 10 |
| Denver Metro Chamber Foundation | Contribution to support community assistance | 8 |
| DLCC Services Corporation LLC | Contribution to support community assistance | 10 |
| Downtown Denver Partnership Inc. | Contribution to support community assistance | 96 |
| Goldstein's | Contribution to support community assistance | 5 |
| Governor's Fishing Opener | Contribution to support community assistance | 10 |
| Greater Pueblo Chamber of Commerce | Contribution to support community assistance | 3 |
| MEDA | Contribution to support community assistance | 13 |
| Milestone Growth Fund, Inc. | Contribution to support community assistance | 20 |
| Minnesota Chamber of Commerce | Contribution to support community assistance | 8 |
| Minnesota Environmental Sciences | Contribution to support community assistance | 5 |
| Minnesota Property Tax Reform | Contribution to support community assistance | 3 |
| Minnesota Science Museum | Contribution to support community assistance | 5 |
| Minnesota State Society | Contribution to support community assistance | 3 |
| Minnesota Utilities Investors Group | Contribution to support community assistance | 64 |
| Minnesotans for a Fair Redistricting | Contribution to support community assistance | 5 |
| MN Rural Electrical Association | Contribution to support community assistance | 18 |
| National Minority Supplier Dev | Contribution to support community assistance | 12 |
| National Western Stock Show | Contribution to support community assistance | 3 |
| Options, Inc | Contribution to support community assistance | 8 |
| Panhandle Water Planning Group | Contribution to support community assistance | 5 |
| Public Affairs Council | Contribution to support community assistance | 4 |
| Rocky Mountain Minority | Contribution to support community assistance | 26 |
| St Paul Riverfront Corporation | Contribution to support community assistance | 8 |
| Swearing-In Account Ceremony | Contribution to support community assistance | 5 |
| Taste of Minnesota | Contribution to support community assistance | 45 |
| The Friends of St. Paul | Contribution to support community assistance | 10 |
| Urban League of Metro Denver | Contribution to support community assistance | 11 |
| US Chamber of Commerce | Contribution to support community assistance | 70 |
| Windustry Wind Energy | Contribution to support community assistance | 5 |
| Women's Foundation of Colorado | Contribution to support community assistance | 3 |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

DONATIONS--ACCOUNT 426.1
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 426.1, "Donations", classifying such expenses by its purpose. The aggregate number and amount of all items of less than \$3,000 may be shown in lieu of details.

| NAME OF RECIPIENT ----- | PURPOSE OF DONATION ----- |
|--|--------------------------------------|
| American Heart Association | Contribution to support health |
| National Jewish Med and Research | Contribution to support health |
| The Children's Hospital Foundation | Contribution to support health |
| Citizens Scholarship Foundation | Contribution to support education |
| Latin American Education Foundation | Contribution to support education |
| Mizel Center for Arts & Culture | Contribution to support education |
| University Film Society | Contribution to support education |
| Colorado Energy Assistance Foundation (CEAF) | Contribution to support low income |
| United Way | Contribution to support United Way |
| Horton's Kids | Contribution to support young people |
| Junior Achievement | Contribution to support young people |
| On Wings of Hope; Kempe Children | Contribution to support young people |
| The Delay Foundation for Kids | Contribution to support young people |
| Other (134) | |

ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

OTHER DEDUCTIONS--ACCOUNT 426.5
(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount include in Account 426.5, "Other Deductions", classifying such expenses according to their nature.

| DESCRIPTION | NAME OF PAYEE |
|-------------|---------------|
|-------------|---------------|

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| | |
|--|---|
| Expenditures for Certain Civic, Political & Related Activities | Company employee, administrative costs for civic, political and related activities |
| NRG Integration (billed to Holding Co.) | Various |
| Life Insurance Premiums for Corporate Officers and to fund non-qualified deferred compensation program | Various |

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ANNUAL REPORT OF XCEL ENERGY SERVICES, INC.

For the Year Ended December 31, 2002

SCHEDULE XVIII--NOTES TO STATEMENT OF INCOME

INSTRUCTIONS: The space below is provided for important notes regarding the statement of income or any account thereof. Furnish particulars as to any significant increases and services rendered or expenses incurred during the year. Notes related to financial statements shown elsewhere in this report may be indicated here by reference.

Account 920 - For 2002 this account includes compensation costs paid under the employee incentive plans previously reported in account 926.

Account 922 - Starting October 2001 with the conversion to the JD Edwards General Ledger system, costs for Aviation Services, Information Technology and Supply Chain Purchasing are initially recorded in income statement clearing accounts (408, 920-926) according to the nature of the cost. At month-end these costs are transferred to the balance sheet clearing accounts (184) and account 922 is credited.

Also see Notes to Financial Statements on pages 14-14d for additional Notes to Statement of Income.

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

For the Year Ended December 31, 2002

ORGANIZATION CHART (SUMMARY LEVEL)

ORGANIZATION CHART

SERVICE FUNCTION

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| | |
|--|-------------------------------|
| Chairman | Executive Management Services |
| President, CEO | Executive Management Services |
| Internal Audit | Internal Audit |
| Investor/Shareholder Services | Investor Relations |
| Corporate Strategy and Business Development | Corp Strategy & Business Deve |
| Financial and Support Services-CFO | Accounting, Fin Reporting, Ta |
| Accounting | Accounting, Fin Reporting, Ta |
| Accounts Payable | Payment & Reporting |
| Finance and Treasury | Finance and Treasury |
| General Counsel | Legal |
| Claims Services | Claims Services |
| Regulatory and Governmental Affairs - Vice-President | Rates and Regulation |
| Regulatory Administration | Rates and Regulation |
| Government Affairs | Government Affairs |
| Shared Services - Chief Administration Officer | Executive Management Services |
| Human Resources | Human Resources |
| Communications | Corporate and Employee Commun |
| Supply Chain | Supply Chain and S. Chain Spe |
| Facilities and Real Estate | Facilities and Real Estate |
| Aviation | Aviation |
| Payroll | Payroll |
| Energy Markets - President | Energy Mkts Reg Trading & Mkt |
| Energy Markets Regulated Trading & Marketing | Energy Mkts Reg Trading & Mkt |
| Energy Markets Fuel Procurement | Energy Markets Fuel Procureme |
| Energy Markets - Vice-President/CFO | Business Unit Acctg & Budgeti |
| Energy Supply - President | Business Unit Acctg & Budgeti |
| Energy Supply Business Resources | Business Unit Acctg & Budgeti |
| Energy Supply Engineering & Environmental | Energy Supply Engineering & E |
| Delivery - President | Business Unit Acctg & Budgeti |
| Energy Delivery Asset Management | Business Unit Acctg & Budgeti |
| Energy Delivery Engineering/Design | Energy Delivery Engineering/D |
| Energy Delivery Construction, Oper & Maint | Energy Delivery Constr, Oper |
| Fleet | Fleet |
| Energy Delivery Marketing | Energy Delivery Marketing |
| Retail - President | Business Unit Acctg & Budgeti |
| Retail - Controller | Business Unit Acctg & Budgeti |
| Marketing and Sales | Marketing and Sales |
| Customer Service | Customer Sales |
| Receipts Processing | Receipts Processing |
| Information Technology - Vice-President/CIO | Information Technology |

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

METHODS OF ALLOCATION

Revenue Ratio - Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio - Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable

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Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio, with 15 Percent of Assets assigned to Xcel Energy Inc. - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy Inc. will be assigned fifteen percent of the total assets. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio - Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Square Footage Ratio - Based on the total square footage as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Invoice Transaction Ratio - Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Customer Bills Ratio - Based on the average of the monthly total number of customer bills issued during the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

MWh Generation Ratio - Based on the sum of the monthly electric MWh generated during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

METHODS OF ALLOCATION

Total MWh Sales Ratio - Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31, the numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

Customers Ratio - Based on the average of the monthly total electric customers

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(and/or gas customers, or residential, business and large commercial and industrial customers where applicable) for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Labor Dollars Ratio - Based on the XES department (performing center) labor dollars charged to Operating companies and other affiliates for the month. The numerator of which is the labor dollars charged to an Operating Company or affiliate company and the denominator of which is for all Operating Companies and affiliate companies charged by the department for the month.

Delivery Services Gross Plant Ratio - Based on transmission and distribution gross plant for the Delivery Business unit, both electric and gas for the prior year ending December 31, the numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

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ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED

For the Period Ended December 31, 2002

The following annual statement was supplied to each associate company in support of the amount of compensation for use of capital billed during 2002:

In accordance with Instruction 01-12 of the Securities and Exchange Commission's Uniform System of Accounts for Mutual Service Companies and Subsidiary Service Companies, Xcel Energy Services Inc. (XES) submits the following information on the billing of interest on borrowed funds to associated companies for the year 2002:

- A. Amount of interest billed to associate companies is contained on page 16, Analysis of Billing.
- B. Amount of interest XES pays Xcel Energy Inc. is based on Xcel Energy's weighted cost of debt adjusted for their commitment (facilities) fees. Interest is billed to associate companies based on each company's Accounts Receivable balance weighted with other significant Service Company assets in which the benefits can be directly assigned to specific companies. Companies with outstanding Accounts Receivable balances greater than 30 days and more than \$1,000 are charged a 1% penalty on the outstanding balance in addition to their monthly interest expense. The penalty amounts reduce the monthly interest amount allocated based on total Accounts Receivable balances.

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ANNUAL REPORT OF XCEL ENERGY SERVICES INC.

SIGNATURE CLAUSE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations of the Securities and Exchange Commission issued thereunder, the undersigned company has duly caused this report to be signed on its behalf by the undersigned officer thereunto duly authorized.

Xcel Energy Services Inc.

(Name of Reporting Company)

By: /s/ David E. Ripka

(Signature of Signing Officer)

David E. Ripka, Vice President and Controller

(Printed Name and Title of Signing Officer)

Date: April 30, 2003