



**Wayne H. Brunetti**  
*Chairman, President and  
Chief Executive Officer*

U.S. Bancorp Center  
800 Nicollet Mall, Suite 3000  
Minneapolis, MN 55402-2023

April 18, 2003

Dear shareholder:

In case you haven't heard or missed seeing the March 26, 2003, press release, Xcel Energy's board of directors has approved an agreement in principle with holders of most of NRG Energy's long-term notes and the steering committee representing NRG's bank lenders. The settlement should bring both immediate and long-term benefits to shareholders.

However, as a consequence of accounting for the losses related to final year-end valuation estimates of NRG's projects, Xcel Energy's retained earnings were negative at the end of 2002. Securities and Exchange Commission (SEC) regulations prohibit registered public utility holding companies such as Xcel Energy from paying a dividend when retained earnings are less than the prospective dividend payment, unless the company receives a waiver from the SEC.

In December 2002, we applied to the SEC for the necessary waiver to declare and pay the dividend in the event of negative retained earnings. The SEC has yet to rule on the request. Consequently, Xcel Energy's board of directors is currently prohibited from declaring a dividend until the company receives the necessary waiver. In the event that the SEC grants a waiver, we expect to convene a special meeting of the board to declare the full quarterly dividend be paid as soon as possible.

We understand the delay of the dividend payment will cause a hardship for many of our shareholders and are deeply sorry for that. We used our best efforts to avoid this situation. Although we know you are disappointed by the delay, we want you to know that we intend to make every effort to pay the full dividend of 75 cents per share during 2003.

Sincerely,

A handwritten signature in black ink that reads 'Wayne H. Brunetti'.

Wayne H. Brunetti