

XCEL ENERGY INC
Form S-4/A
April 03, 2002

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As filed with the Securities and Exchange Commission on April 3, 2002

Registration No. 333-84264

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

AMENDMENT NO. 1
TO
Form S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Xcel Energy Inc.

(Exact Name of Registrant as Specified in its Charter)

Minnesota
*(State or Other Jurisdiction of
Incorporation or Organization)*

4931
*(Primary Standard Industrial
Classification Code Number)*

41-0448030
*(I.R.S. Employer
Identification Number)*

800 NICOLLET MALL

MINNEAPOLIS, MINNESOTA 55402
(612) 330-5500
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)*

Wayne H. Brunetti
President and Chief Executive Officer
Xcel Energy Inc.
800 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 330-5500

Edward J. McIntyre
Vice President and Chief Financial Officer
Xcel Energy Inc.
800 Nicollet Mall
Minneapolis, Minnesota 55402
(612) 330-5500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:
Robert A. Yolles, Esq.
Peter D. Clarke, Esq.
Jones, Day, Reavis & Pogue
77 West Wacker
Chicago, Illinois 60601
(312) 782-3939

Approximate date of commencement of proposed sale to the public: As promptly as practicable after this Registration Statement becomes effective and upon consummation of the transactions described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to Section 8(a), may determine.

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The information in this prospectus may change. We may not complete this exchange offer and issue shares of our common stock until the registration statement filed with the Securities and Exchange Commission to which this prospectus relates is effective. This prospectus does not constitute an offer to sell shares of our common stock and we are not soliciting offers to buy our shares in any state where the offer or sale is not permitted.

**Offer to Exchange
0.4846 of a Share of Common Stock
of**

**for
Each Outstanding Share of Common Stock
of
NRG Energy, Inc.**

This Exchange Offer, And Your Right To Withdraw NRG Shares That You Tender Into This Offer, Will Expire At 5:00 p.m., New York City Time, On April 10, 2002, Unless We Extend This Offer.

We are offering to exchange 0.4846 of a share of Xcel Energy common stock for each outstanding share of Common Stock of NRG, on the terms and conditions contained in this prospectus and in the related letter of transmittal.

We do not currently own any Common Stock of NRG, but we do own, through a wholly owned subsidiary, all 147,604,500 shares of NRG's outstanding Class A common shares, each of which is convertible by us, at any time, into one share of NRG Common Stock. These Class A shares represent 74.3% of both classes of NRG's outstanding common shares combined. Because each Class A share entitles us to 10 votes, we hold 96.7% of the combined voting power of all of NRG's outstanding common shares.

We will not acquire any Common Stock of NRG in this offer unless NRG stockholders who are not directors or executive officers of Xcel Energy tender into this offer enough shares so that, when taken together with the shares of NRG Common Stock that we would hold after conversion of Class A shares, we would own at least 90% of NRG's outstanding Common Stock. We will not waive this condition. Based on the number of shares of Common Stock outstanding as of February 27, 2002, NRG stockholders other than our directors and executive officers must tender into the offer at least 31,117,680 shares, or approximately 61% of the outstanding shares of Common Stock, in order for this condition to be satisfied. Our obligation to exchange Xcel Energy shares for NRG shares is also subject to the issuance of an order by the Securities and Exchange Commission under the Public Utility Holding Company Act, as and to the extent required, authorizing us to complete the offer and merger and other conditions described in this prospectus under "The Offer" "Conditions of the Offer" on page 46.

If we successfully complete this offer, we will convert our Class A shares into shares of NRG Common Stock. We will then effect a short form merger with NRG as soon as possible, unless a court prevents us from doing so. Each share of NRG Common Stock that we do not acquire in this offer will be converted in the merger into the right to receive 0.4846 of an Xcel Energy share, except for Common Stock held by stockholders who properly perfect appraisal rights under Delaware law. After we complete the merger, NRG will be an indirect, wholly owned subsidiary of Xcel Energy.

See Risk Factors beginning on page 16 for a discussion of issues that you should consider in determining whether to tender your shares into this offer.

Xcel Energy's common stock is listed on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange and trades under the symbol XEL. NRG's Common Stock is listed on the New York Stock Exchange and trades under the symbol NRG.

We are not asking you for a proxy and you are not requested to send us a proxy with respect to this offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the Xcel Energy common stock to be issued in this offer and the merger or determined if the information contained in this prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The dealer manager for the offer is:

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As permitted under the rules of the Securities and Exchange Commission, this prospectus incorporates important business and financial information about Xcel Energy and NRG that is contained in documents we and NRG have filed with the Securities and Exchange Commission but that are not included in or delivered with this prospectus. You may obtain copies of these documents, without charge, from the website maintained by the Securities and Exchange Commission at www.sec.gov, as well as other sources. See **Where You Can Find More Information** beginning on page 93.

You may also obtain copies of the incorporated documents, without charge, upon written or oral request to our information agent for this offer, Georgeson Shareholder Communications, Inc., 111 Commerce Road, Carlstadt, New Jersey, 07072 or call toll-free at (866) 800-0230. To obtain timely delivery of copies of the incorporated documents, you should request them no later than five business days prior to the expiration of this offer. Unless this offer is extended, the latest you should request copies of these documents is April 3, 2002.

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Except as otherwise specifically noted, we, our, us and similar words in this prospectus refer to Xcel Energy.

In Questions and Answers About the Offer below and in the Summary beginning on page 7, we highlight selected information from this prospectus but we have not included all of the information that may be important to you. To better understand the offer and the merger and for a more complete description of their legal terms, you should read carefully this entire prospectus, including the annexes, as well as the documents we have incorporated by reference into this prospectus. See Where You Can Find More Information beginning on page 93.

QUESTIONS AND ANSWERS ABOUT THE OFFER

Q. Why is Xcel Energy making the offer?

A. We currently own, through a wholly owned subsidiary, all 147,604,500 of NRG's outstanding Class A shares, each of which is convertible by us, at any time, into one share of NRG Common Stock. As of February 27, 2002, there were 50,975,665 shares of NRG Common Stock outstanding. All of these shares are held by the public. We do not currently own any of NRG's Common Stock. The Class A shares we own represent 74.3% of both classes of NRG's outstanding common shares combined. Because each Class A share entitles us to 10 votes, we hold 96.7% of the combined voting power of all of NRG's outstanding common shares. We are making the offer in order to acquire, through our wholly owned subsidiary, all of NRG's Common Stock, so that NRG will become an indirect, wholly owned subsidiary of Xcel Energy.

Our board's decision to cause our subsidiary to acquire NRG's Common Stock was based on a variety of factors, including:

changes that have occurred in the general economy, the energy sector broadly and the independent power producer (or IPP) sector, specifically, in which NRG competes;

the increasingly stringent credit quality requirements imposed by lenders and ratings agencies on borrowers in the IPP sector;

the fact that, in response to these market changes and new credit requirements, a number of IPPs have announced adjustments to their original business plans;

NRG's reduced ability to pursue its original business plan on a stand-alone basis due to these market changes and new credit requirements;

the fact that, in light of these changes, we have developed a revised business plan for NRG that reduces NRG's 2002 cash requirements by approximately \$3 billion and lowers NRG's net income growth going forward, and even this business plan assumes an infusion of \$600 million of equity in 2002;

the probability that without the infusion of \$600 million of equity into NRG, even under our revised business plan, NRG would be downgraded by ratings agencies to below investment grade status, which would increase NRG's cost of capital and result in NRG being required to deposit, based on guarantees and commitments in place on December 31, 2001, approximately \$960 million in letters of credit or cash collateral shortly following such a downgrade;

our belief that, under current market conditions, any substantial equity issuance to a third party by NRG, while it is a stand-alone entity, would significantly dilute NRG's earnings per share and the percentage ownership of current NRG stockholders. This would adversely affect all NRG stockholders, including us. If we were to purchase additional NRG equity while NRG is a stand-alone entity it would be more cost-effective for us than it would be for NRG to raise equity independently, and we would increase our percentage ownership in NRG. Such a purchase would still dilute NRG's earnings per share, however, and also reduce the percentage of NRG's common shares that you would own;

our belief that this transaction is the best available alternative for all NRG stockholders at this time given NRG's need for a substantial equity infusion, even under our revised business plan, to strengthen its bal-

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ance sheet, to reduce the likelihood of a ratings downgrade and to fund NRG's business;

the fact that this transaction allows the public stockholders of NRG to receive a premium for their shares instead of experiencing the substantial dilution that would result from a significant NRG equity offering; and

our belief that greater stockholder value could be realized by the stockholders of Xcel Energy and NRG by completing the offer and merger and refocusing NRG's growth strategy to capitalize on our financial and operating strengths.

We describe the reasons for the offer in greater detail in "Background and Reasons for the Offer" beginning on page 23. You can find additional information regarding the risk of an NRG credit rating downgrade in "Information Concerning NRG and Recent Events" beginning on page 30.

Q. What will I receive if I tender my NRG shares into the offer?

A. If we successfully complete the offer, you will receive 0.4846 of a share of Xcel Energy common stock in exchange for each share of NRG Common Stock that you validly tender into the offer. We will not issue fractional shares of Xcel Energy common stock. Instead, NRG stockholders will receive cash in lieu of any fractional shares of Xcel Energy common stock that they would otherwise be entitled to receive in the offer. See "The Offer - Cash in Lieu of Fractional Shares of Xcel Energy Common Stock" on page 38.

Q. When do you expect to complete the offer and merger?

A. The offer is currently scheduled to expire at 5:00 p.m., New York City time, on April 10, 2002. However, we may extend the offer if the conditions to the offer have not been satisfied as of the scheduled expiration time or if we are required to extend the offer by the rules of the Securities and Exchange Commission, or the SEC. We will complete the merger as soon as possible after the successful completion of the offer, unless a court prevents us from doing so.

Q. What percentage of Xcel Energy common stock will holders of NRG Common Stock own after the offer and merger?

A. We anticipate that holders of NRG's Common Stock will receive shares representing 6.3% of the Xcel Energy common stock outstanding, giving effect to the offer and merger but not including the options granted by either company or the equity units of NRG. In general, this assumes that 24.7 million shares of Xcel Energy common stock will be issued in the offer and merger, 369.6 million shares of Xcel Energy common stock are outstanding before giving effect to the offer and merger and no NRG stockholders exercise appraisal rights. The holders of Xcel Energy common stock are entitled to one vote for each share held.

Q. What are the potential benefits of this offer to NRG stockholders?

A. We believe that this offer should be attractive to NRG stockholders for the reasons described elsewhere in this prospectus, including the following reasons:

based on the closing price of Xcel Energy's shares on February 14, 2002, the day prior to the announcement of this offer, the exchange ratio of 0.4846 of an Xcel Energy share for each share of NRG Common Stock represents a value of \$11.50 per NRG share, which is:

a 15.0% premium to the closing price of NRG's shares on that date,

a 15.7% premium to the average closing price of NRG's shares during the 10 trading day period ending on that date, and

a 53.1% premium to NRG's recent 52-week low of \$7.51 on February 6, 2002;

based on the more recent closing price of Xcel Energy's shares of \$25.69 on March 11, 2002, the exchange ratio of 0.4846 of an Xcel Energy share for each share of NRG Common Stock represents a value of \$12.45 per NRG share, which is:

a 24.5% premium to the closing price of NRG's shares on February 14, 2002,

a 25.2% premium to the average closing price of NRG's shares during the 10 trad-

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ing day period ending on February 14, 2002, and

a 65.8% premium to NRG's recent 52-week low of February 6, 2002;

we believe that the acquisition of NRG's publicly held shares by us is the best alternative available to NRG and its stockholders at this time given NRG's need for an equity infusion to reduce the likelihood of a ratings downgrade, strengthen its capital structure and fund our revised NRG business plan, together with the fact that any substantial issuance of equity by NRG under current market conditions would be significantly dilutive to NRG stockholders;

if we successfully complete the offer and the merger, you will hold shares in a larger company, which we believe will have more efficient access to capital to fund our revised NRG business plan than NRG would have on a stand-alone basis;

as a result of your exchange of NRG shares for Xcel Energy shares, you will receive Xcel Energy's dividend, which we expect to continue to pay at our current annual rate of \$1.50 per share. See "Comparative Stock Prices and Dividends" Xcel Energy Dividend Policy on page 35. NRG does not currently pay a dividend; and

you will continue to participate in NRG's growth through your ownership of Xcel Energy shares.

We describe various factors NRG stockholders should consider in deciding whether to tender their shares under "Risk Factors" beginning on page 16 and "Additional Factors for Consideration by NRG Stockholders" beginning on page 27.

Q. What are some of the other factors I should consider in deciding whether to tender my NRG shares?

A. In addition to the factors described elsewhere in this prospectus, you should consider the following:

as a stockholder of Xcel Energy, your interest in the performance and prospects of NRG will be only indirect and in proportion to your share ownership in Xcel Energy. You therefore may not realize the same financial benefits of any future appreciation in the value of NRG that you may realize if the offer and merger are not completed and you remain an NRG stockholder;

there can be no effective "market check" on our offer because we own 74.3% of both classes of NRG's outstanding common shares on a combined basis, and 96.7% of the voting power of NRG's combined outstanding shares, and we do not intend to sell our NRG shares, particularly in light of accounting and tax limitations that currently significantly adversely affect our willingness to sell our NRG shares. We believe that the possibility is remote that any third party would bid for NRG in these circumstances; and

the exchange ratio reflects a value per NRG share below NRG's initial public offering, or IPO, price of \$15.00 in June 2000, its subsequent offering price of \$27.00 in March 2001 and the trading prices at which shares of NRG's Common Stock have traded since its IPO until recently.

We describe various factors NRG stockholders should consider in deciding whether to tender their shares under "Risk Factors" beginning on page 16 and "Additional Factors for Consideration by NRG Stockholders" beginning on page 27.

Q. If I decide not to tender, how will it affect the offer and the merger?

A. We will not acquire any shares of NRG in the offer unless NRG stockholders who are not directors or executive officers of Xcel Energy have tendered into the offer enough shares so that, together with the shares of NRG Common Stock that we would hold upon conversion of Class A shares, we would own at least 90% of NRG's outstanding Common Stock. Based on the number of shares of NRG Common Stock outstanding as of February 27, 2002, at least 31,117,680 shares, or approximately 61% of the outstanding shares, must be tendered to satisfy this condition. Because we will not waive this condition, if you do not tender your NRG shares, this will reduce the likelihood that we will be able to complete the offer.

If you do not tender your NRG shares but there are enough other shares tendered for us to successfully complete the offer, we will convert enough Class A shares of NRG that we hold into Common Stock so that we own,

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through our subsidiary, at least 90% of NRG's outstanding Common Stock. We will then complete a short-form merger as soon as possible, unless a court prevents us from doing so. Each share of Common Stock of NRG that we do not acquire in the offer (other than Common Stock that we will own when we convert our Class A shares and other Common Stock held by stockholders who properly perfect their appraisal rights under Delaware law) will be converted in the merger into the right to receive 0.4846 of a share of Xcel Energy common stock and cash in lieu of fractional shares. See "The Offer - Purpose of the Offer; The Merger" beginning on page 43 and "The Offer - Appraisal Rights" beginning on page 44.

Q. If the offer and merger are not completed, how will it affect my NRG shares?

- A. If we do not complete the offer and the merger, your NRG Common Stock will remain outstanding. In that case, we expect that NRG will remain a majority owned subsidiary of Xcel Energy and we will continue to evaluate our options with respect to our investment in NRG. If NRG remains our majority owned subsidiary, rather than becoming our wholly owned subsidiary, our ability to provide funding to NRG in an efficient and cost-effective manner may be adversely affected.

As previously announced, our plan is to infuse approximately \$600 million of equity into NRG in 2002 in connection with the offer and the merger. Of this amount, \$300 million has already been provided in the form of a convertible subordinated note that we will cancel if the offer and merger are completed. If the offer and merger are not completed, we will continue to evaluate our options with respect to NRG, including the terms and timing of any additional investment in NRG. We cannot assure you that the \$300 million we have already invested will enable NRG to fund its business plan and capital expenditures or avoid a downgrade of its credit ratings. For more information about the \$300 million convertible subordinated note, see "Information Concerning NRG and Recent Events" beginning on page 30. See also "The Offer - Conduct of NRG if the Offer is Not Completed" on page 50.

Q. Has NRG's board formed a special committee of independent directors to evaluate Xcel Energy's offer?

- A. Yes. In addition, NRG has announced that its special committee has engaged Credit Suisse First Boston as financial advisor and Sullivan & Cromwell as legal counsel in connection with our offer.

Q. Has NRG's board made a recommendation concerning the offer?

- A. On March 26, 2002, NRG filed with the SEC a Tender Offer Solicitation/ Recommendation Statement on Schedule 14D-9. In the Schedule 14D-9, NRG stated that its Special Committee and the NRG board were unable to take a position with respect to the offer at the time. The Special Committee and the NRG board stated that they expect to be able to make a recommendation at least five business days prior to the originally scheduled expiration date of the offer.

In evaluating this offer, you should be aware that four out of the nine members of the NRG board are directors and/or executive officers of Xcel Energy and one member of the NRG board is a former Chairman of Xcel Energy. Also, NRG directors and executive officers who are also directors and/or executive officers of Xcel Energy own stock in Xcel Energy. They therefore have conflicts of interest with respect to the offer. For additional information on interests that NRG's board members and executive officers may have in the offer and merger, see "Interests of Certain Persons in the Offer" beginning on page 61.

Q. Has Xcel Energy negotiated, or sought the approval of, the terms of this offer or the merger with NRG?

- A. No. We have not negotiated the terms of this offer or the merger with NRG, its board or any committee of its board. Nor have we requested that NRG, its board or any committee of its board approve this offer.

Q. Have any lawsuits been filed in connection with the offer?

- A. Yes. After we announced our plans to commence the offer, stockholders of NRG filed nine separate complaints in the Delaware Chancery Court purporting to commence class action lawsuits, which have subsequently been

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consolidated into a single proceeding, and a consolidated amended complaint was filed. In general, the amended complaint, like the original complaints but at greater length, alleges violations of fiduciary duties of care, loyalty and candor by the defendants in connection with the offer and merger, which the amended complaint asserts are being undertaken in an unfair and coercive manner, at an unfairly low price using inside information and with inadequate disclosure, all in furtherance of the interests of Xcel Energy at the expense of the public stockholders of NRG. An NRG stockholder has also filed a purported class action complaint in a Minnesota state court (which has subsequently been removed to federal court) advancing largely similar allegations. These actions seek injunctive relief and damages. See *The Offer Stockholder Litigation* beginning on page 49 for a more detailed discussion of these lawsuits.

Q. What are the conditions to the offer?

A. The offer is subject to several conditions, including:

enough shares of Common Stock of NRG having been tendered by NRG stockholders who are not directors or executive officers of Xcel Energy so that, when taken together with the shares of NRG Common Stock that we would hold upon conversion of Class A shares, we would own at least 90% of NRG's outstanding Common Stock. We refer to this condition as the minimum condition;

the registration statement of which this prospectus is a part having been declared effective by the SEC;

the shares of Xcel Energy common stock to be issued in the offer and the merger having been approved for listing on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange;

the receipt of an order from the SEC under the Public Utility Holding Company Act, or PUHCA, as and to the extent required, authorizing us to complete the offer and the merger. We refer to this condition as the PUHCA condition;

there not having occurred any event that, in our reasonable judgment, would be expected to have a material adverse effect on NRG;

no governmental authority having issued any injunction, order, decree, judgment or ruling that is in effect, or having promulgated or enacted any statute, rule, regulation or order which restrains, prohibits or imposes any material limitations on us, NRG, the offer or the merger; and

the absence of litigation or other legal action that, in our reasonable judgment, is reasonably likely to be successful or result in material liability for NRG or us.

All conditions to the offer must be satisfied or, where permissible, waived before or as of the expiration of the offer. We will not waive the first four conditions described above. The conditions identified above and other conditions to the offer are discussed under *The Offer Conditions of the Offer* beginning on page 46.

Q. Will I have to pay any fees or commissions to tender my shares?

A. If you are the record owner of your NRG shares and you tender your shares directly to Wells Fargo Bank Minnesota, N.A., the exchange agent for the offer, you will not have to pay brokerage fees or incur similar expenses. If you own your shares through a broker or other nominee, and your broker or nominee tenders the shares on your behalf, your broker or nominee may charge you a fee for doing so. You should consult your broker or other nominee to determine whether any charges will apply.

Q. Will I be taxed on the Xcel Energy common stock that I receive in the offer or merger?

A. You will generally not recognize gain or loss for United States federal income tax purposes upon the receipt of the Xcel Energy shares in exchange for your NRG shares, other than any gain or loss recognized on the receipt of cash in lieu of fractional shares. See *The Offer Material U.S. Federal Income Tax Consequences* beginning on page 41. The tax consequences to you will depend on the facts and circumstances of your own situation. Please consult your tax advisor for a full understanding of the tax consequences to you.

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Q. Whom can I call with questions about the offer?

A. You can contact our information agent for the offer:

Georgeson Shareholder Communications, Inc.

111 Commerce Road

Carlstadt, New Jersey 07072

Banks and Brokers Please Call: (201) 896-1900

All Others Call Toll-Free: (866) 800-0230

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SUMMARY

Introduction

We are proposing to acquire, on behalf of and as agent for our indirect, wholly owned subsidiary called NRG Acquisition Company, LLC, or the Purchaser, and its parent company, our wholly owned subsidiary called Xcel Energy Wholesale Group, Inc., or Wholesale, all of the outstanding shares of NRG's Common Stock. All of the shares of NRG Common Stock are held by the public. We do not currently own any shares of NRG's Common Stock, but we do own, through Wholesale, all 147,604,500 of NRG's Class A common shares, each of which is convertible by us, at any time, into one share of NRG's Common Stock. These Class A shares represent 74.3% of both classes of NRG's outstanding common shares combined. Because each Class A share entitles us to ten votes, we hold 96.7% of the combined voting power of all of NRG's outstanding common shares. Within this document, all references to our acceptance, acquisition or ownership of NRG Class A shares or Common Stock mean acceptance, acquisition or ownership by Wholesale and/or the Purchaser.

We are offering to exchange 0.4846 of a share of Xcel Energy common stock and cash in lieu of fractional shares for each outstanding share of NRG Common Stock, upon the terms and conditions set forth in this prospectus and the related letter of transmittal. We will not acquire any shares of NRG Common Stock in the offer unless NRG stockholders who are not directors or executive officers of Xcel Energy have tendered into this offer, and not withdrawn, as of the expiration of the offer, enough shares so that, when taken together with the shares of NRG Common Stock that we would hold after conversion of Class A shares, we would own at least 90% of NRG's outstanding Common Stock. Based on the number of shares of NRG Common Stock outstanding as of February 27, 2002, at least 31,117,680 shares, or approximately 61% of the outstanding shares, must be tendered by those NRG stockholders in order for this condition to be satisfied. We will not waive this condition. Our obligation to exchange Xcel Energy shares for NRG shares is also subject to the issuance of an order by the SEC under PUHCA, as and to the extent required, authorizing us to complete the offer and merger and other conditions described in this prospectus under "The Offer - Conditions of the Offer" beginning on page 46.

If we successfully complete the offer, Wholesale will convert enough Class A shares into shares of NRG Common Stock so that it and the Purchaser will own at least 90% of NRG's outstanding Common Stock, and will then contribute its NRG Common Stock to the Purchaser. We will then effect a short-form merger of NRG with the Purchaser, unless a court prevents us from doing so. Under Delaware law, we are permitted to effect this merger without the approval of NRG's board or stockholders. Each outstanding share of NRG Common Stock that we do not acquire in the offer (except for the shares of Common Stock issued upon conversion of Class A shares and shares held by NRG stockholders who properly perfect their appraisal rights under Delaware law) will be converted in the merger into the right to receive 0.4846 of a share of Xcel Energy common stock and cash in lieu of fractional shares, the same consideration as is exchanged for each share of NRG Common Stock tendered into the offer. See "The Offer - Purpose of the Offer; The Merger" beginning on page 43 and "The Offer - Appraisal Rights" beginning on page 44. After completion of the merger, NRG will be wholly owned by Wholesale and will be an indirect, wholly owned subsidiary of Xcel Energy.

Information about Xcel Energy and NRG

Xcel Energy Inc.

800 Nicollet Mall, Suite 3000
Minneapolis, Minnesota 55402
(612) 330-5500

We are a public utility holding company with six public utility subsidiaries and an interest in a number of nonregulated businesses, the largest of which is NRG. Our predecessor company was incorporated under the laws of Minnesota in 1909. Our executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota 55402. See "Information Concerning Xcel Energy and Recent Events" beginning on page 29.

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NRG Energy, Inc.

901 Marquette Avenue, Suite 2300
Minneapolis, Minnesota 55402
(612) 373-5300

NRG is a leading global energy company, primarily engaged in the acquisition, development, ownership, and operation of power generation facilities and the sale of energy, capacity and related products. NRG has interests in power generation facilities, district heating and cooling systems and steam transmission operations. NRG was incorporated as a Delaware corporation in 1992. See [Information Concerning NRG and Recent Events](#) beginning on page 30.

The Offer

Exchange of Shares of NRG Common Stock; Delivery of Xcel Energy Common Stock

Upon the terms and subject to the conditions of the offer, we will exchange, promptly after the expiration of the offer, 0.4846 of a share of Xcel Energy common stock and cash in lieu of fractional shares for each share of NRG Common Stock validly tendered and not properly withdrawn. See [The Offer Exchange of NRG Shares; Delivery of Xcel Energy Common Stock](#) on page 38.

Timing of the Offer

We commenced the offer on March 13, 2002. The offer is currently scheduled to expire at 5:00 p.m., New York City time, on April 10, 2002. However, we may extend the offer in our sole discretion, on one or more occasions, until all the conditions to the offer have been satisfied or, where permissible, waived or if we are required to extend the offer by the rules of the SEC.

Extension, Termination and Amendment

We expressly reserve the right, in our sole discretion, to extend, on one or more occasions, the period of time during which the offer remains open. We can do so by giving oral or written notice of extension to Wells Fargo Bank Minnesota, N.A., the exchange agent for the offer. If we decide to extend the offer, we will make an announcement to that effect no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. We are not giving any assurance that we will exercise our right to extend the offer, although we currently intend to do so until all conditions to the offer have been satisfied or, where permissible, waived. During any extension, all NRG shares you have previously tendered and not withdrawn will remain deposited with the exchange agent, subject to your right to withdraw those shares as described under [The Offer Withdrawal Rights](#) beginning on page 39.

We also reserve the right to make changes in the terms and conditions of the offer. However, we will not complete the offer unless the minimum condition is satisfied, the registration statement we have filed with the SEC, of which this prospectus is a part, has been declared effective, the Xcel Energy shares issuable in the offer and the merger have been approved for listing on the New York Stock Exchange, Chicago Stock Exchange and Pacific Exchange and the PUHCA condition is satisfied.

Any extension, termination, amendment or delay of the offer will be made by giving written or oral notice to the exchange agent. We will follow any extension, termination, amendment or delay, as promptly as practicable, with a public announcement. In the case of an extension, we will make an announcement no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date. Without limiting the manner in which we may choose to make any public announcement, we assume no obligation to publish, advertise or otherwise communicate any public announcement other than by making a release to the Dow Jones News Service, except as required by applicable law, including Rules 14d-4(c) and 14d-6(d) under the Securities Exchange Act of 1934. These rules require that any material change in the information published, sent or given to stockholders in connection with the offer be promptly sent to the stockholders in a manner reasonably designed to inform the stockholders of that change. See [The Offer Extension, Termination and Amendment](#) beginning on page 37.

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Withdrawal Rights

You may withdraw any NRG shares you previously tendered into the offer at any time before the expiration of the offer. See *The Offer Withdrawal Rights* beginning on page 39.

Procedure for Tendering Shares

The method of tendering your NRG shares into the offer will depend on whether your shares are held in certificate or book-entry form.

If your shares are held in certificate form, you must deliver the certificates, a properly completed and duly executed letter of transmittal and any other required documents to the exchange agent, at one of its addresses on the back cover of this prospectus. In the circumstances specified in the letter of transmittal, the signatures on the letter of transmittal must be guaranteed.

If your shares are held in book-entry form, you must either (1) deliver a properly completed and duly executed letter of transmittal and any other required documents to the exchange agent at one of its addresses set forth on the back cover of this prospectus and the exchange agent must receive a confirmation of a book-entry transfer of your shares to the exchange agent's account at The Depository Trust Company or DTC, in accordance with the procedures for book-entry tender or (2) arrange for the exchange agent to receive a confirmation of a book-entry transfer of your shares to the exchange agent's account at DTC, together with a so-called agent's message. The procedures for book-entry transfer are described under *The Offer Procedure for Tendering Shares* beginning on page 38. These deliveries must be made before the expiration of the offer.

However, if (1) certificates for your shares are not immediately available; (2) you cannot deliver the certificates and all other required documents to the exchange agent by the expiration of the offer; or (3) you cannot complete the procedure for book-entry transfer of your shares by the expiration of the offer, you can still participate in the offer by complying with the guaranteed delivery procedures described under *The Offer Guaranteed Delivery* on page 40.

Appraisal Rights

Under Delaware law, you will not have any appraisal rights in connection with the offer. However, appraisal rights will be available in connection with the subsequent short-form merger. For a detailed discussion of these appraisal rights, see *The Offer Appraisal Rights* beginning on page 44.

Certain Federal Income Tax Consequences

Your receipt of Xcel Energy common stock in connection with the offer and the merger will not result in recognition of gain or loss for United States federal income tax purposes. However, you will recognize gain or loss upon any cash received in lieu of fractional shares of Xcel Energy common stock and for cash received if you perfect appraisal rights. See *The Offer Material U.S. Federal Income Tax Consequences* beginning on page 41.

Accounting Treatment

Our acquisition of NRG Common Stock will be accounted for under the purchase method of accounting in accordance with generally accepted accounting principles in the United States. See *The Offer Accounting Treatment* on page 53.

Comparison of Rights of Stockholders of NRG and Stockholders of Xcel Energy

If we successfully complete the offer, holders of shares of NRG's Common Stock will become Xcel Energy stockholders, and their rights as stockholders will be governed by Xcel Energy's articles of incorporation and by-laws. There are some differences between the certificate of

incorporation and by-laws of NRG and the articles of incorporation and by-laws of Xcel Energy. In addition, because Xcel Energy is

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incorporated in Minnesota, the rights of former NRG stockholders who become Xcel Energy stockholders as a result of the offer or the merger will be governed by Minnesota law rather than Delaware law. For a summary of material differences between the rights of holders of NRG's Common Stock and holders of Xcel Energy common stock, see Comparison of Rights of Holders of NRG's Common Stock and Holders of Xcel Energy's Common Stock beginning on page 75.

Selected Historical Financial Information of Xcel Energy and NRG

We are providing the following selected financial information to assist you in analyzing the financial aspects of the offer and the merger. We derived the financial information presented below for Xcel Energy as of, and for each of the years ended, December 31, 1997 and 1998 from Xcel Energy's Annual Report on Form 10-K for the year 2000, and as of, and for each of the years ended, December 31, 1999, 2000 and 2001 from Xcel Energy's Annual Report on Form 10-K for the year 2001.

We derived the financial information presented on page 11 for NRG as of, and for each of the years ended, December 31, 1997, 1998, 1999 and 2000 from NRG's Annual Report on Form 10-K for the year 2000, and as of, and for the year ended, December 31, 2001 from NRG's Annual Report on Form 10-K for the year 2001.

You should read the financial information with respect to Xcel Energy in conjunction with the historical consolidated financial statements and related notes contained in the annual, quarterly and other reports filed by Xcel Energy with the SEC, which we have incorporated by reference into this prospectus. See Where You Can Find More Information beginning on page 93.

Xcel Energy Selected Historical Consolidated Financial Information

	As of and for the Year Ended December 31,				
	2001	2000(3)	1999	1998	1997(4)
	(In millions, except share and per share amounts)				
Operating revenues(1)	\$ 15,028	\$ 11,592	\$ 7,838	\$ 6,748	\$ 6,373
Operating expenses(1)	\$ 13,085	\$ 10,023	\$ 6,632	\$ 5,548	\$ 5,344
Income before extraordinary items	\$ 785	\$ 546	\$ 571	\$ 624	\$ 499
Net income	\$ 795	\$ 527	\$ 571	\$ 624	\$ 388
Earnings available for common shareholders	\$ 791	\$ 523	\$ 566	\$ 619	\$ 377
Average number of common shares outstanding (000 s)	342,952	337,832	331,943	323,883	303,042
Average number of common and potentially dilutive shares outstanding (000 s)	343,742	338,111	332,054	324,355	303,422
Earnings per share before extraordinary items basic	\$ 2.28	\$ 1.60	\$ 1.70	\$ 1.91	\$ 1.61
Earnings per share before extraordinary items diluted	\$ 2.27	\$ 1.60	\$ 1.70	\$ 1.91	\$ 1.61
Earnings per share basic	\$ 2.31	\$ 1.54	\$ 1.70	\$ 1.91	\$ 1.24
Earnings per share diluted	\$ 2.30	\$ 1.54	\$ 1.70	\$ 1.91	\$ 1.24
Dividends declared per share(2)	\$ 1.50	\$ 1.45			