

XCEL ENERGY INC  
Form U-13-60  
April 30, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM U-13-60**

**ANNUAL REPORT**

FOR THE PERIOD

**Beginning January 1, 2003 and ending December 31, 2003**

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:

|                  |                    |   |
|------------------|--------------------|---|
| Teresa S. Madden | Vice President and | 414 Nicollet Mall Minneapolis, MN 55402 |
| (Name)           | Controller         | (Address)                               |
|                  | (Title)            |   |

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

**XCEL ENERGY INC.**

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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.
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**LISTING OF SCHEDULES AND ANALYSIS OF ACCOUNTS**

| <b>Description of Schedules and Accounts</b>   | <b>Schedule or<br/>Account Number</b> | <b>Page<br/>Number</b> |
|--|---------------------------------------|------------------------|
| Comparative Balance Sheets   | Schedule I                            | 3-4                    |
| Service Company Property   | Schedule II                           | 5                      |
| Accumulated Provision for Depreciation and Amortization of Service Company<br>Property | Schedule III                          | 6                      |
| Investments  | Schedule IV                           | 7                      |
| Accounts Receivable from Associate Companies   | Schedule V                            | 8-8a                   |
| Fuel Stock Expenses Undistributed  | Schedule VI                           | 9                      |
| Stores Expense Undistributed   | Schedule VII                          | 9                      |
| Miscellaneous Current and Accrued Assets   | Schedule VIII                         | 10                     |
| Miscellaneous Deferred Debits  | Schedule IX                           | 10                     |
| Research, Development, or Demonstration Expenditures                                   | Schedule X                            | 10                     |
| Proprietary Capital  | Schedule XI                           | 11                     |
| Long-Term Debt   | Schedule XII                          | 12                     |
| Current and Accrued Liabilities  | Schedule XIII                         | 13                     |
| Notes to Financial Statements  | Schedule XIV                          | 14-14f                 |
| Comparative Statement of Income  | Schedule XV                           | 15                     |
| Analysis of Billing - Associate Companies  | Account 457                           | 16                     |
| Analysis of Billing - Nonassociate Companies   | Account 458                           | 17                     |
| Analysis of Charges for Service - Associate and Nonassociate Companies                 | Schedule XVI                          | 18                     |
| Schedule of Expense by Department or Service Function                                  | Schedule XVII                         | 19-19f                 |
| Departmental Analysis of Salaries  | Account 920                           | 20                     |
| Outside Services Employed  | Account 923                           | 21-21g                 |
| Employee Pensions and Benefits   | Account 926                           | 22                     |
| General Advertising Expenses   | Account 930.1                         | 23-23a                 |

| Description of Schedules and Accounts                      | Schedule or<br>Account Number | Page<br>Number |
|--|-------------------------------|----------------|
| Miscellaneous General Expenses                             | Account 930.2                 | 23b            |
| Rents  | Account 931                   | 23b            |
| Taxes Other Than Income Taxes                              | Account 408                   | 24             |
| Donations  | Account 426.1                 | 25             |
| Other Deductions   | Accounts 426.4 and 426.5      | 26             |
| Notes to Statements of Income                              | Schedule XVIII                | 27             |
| <b>LISTING OF INSTRUCTIONAL FILING REQUIREMENTS</b>        |                               |                |
| Organization Chart   |                               | 28             |
| Methods of Allocation                                      |                               | 29-29a         |
| Annual Statement of Compensation for Use of Capital Billed |                               | 30             |
| Signature Clause   |                               | 31             |

**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.

| ACCOUNT                           | ASSETS AND OTHER DEBITS   | AS OF DECEMBER 31, |            |
|-----------------------------------|---|--------------------|------------|
|                                   |   | 2003               | 2002       |
| <b>SERVICE COMPANY PROPERTY</b>   |   |                    |            |
| 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  |                    |            |
| <b>INVESTMENTS</b>                |   |                    |            |
| 123                               | Investments in associate companies (Schedule IV)  |                    |            |
| 124                               | Other investments (Schedule IV)   | 3,707              | 3,823      |
|                                   | Total Investments   | 3,707              | 3,823      |
| <b>CURRENT AND ACCRUED ASSETS</b> |   |                    |            |
| 131                               | Cash  | 314                | (4,582)(1) |
| 134                               | Special deposits  |                    |            |
| 135                               | Working funds   | 15                 | 15         |
| 136                               | Temporary cash investments (Schedule IV)  |                    |            |
| 141                               | Notes receivable  | 26,175             |            |
| 143                               | Accounts receivable   | 1,039              | 1,454      |
| 144                               | Accumulated provision for uncollectable accounts  |                    |            |
| 146                               | Accounts receivable from associate companies (Schedule V)   | 104,285            | 99,387     |
| 152                               | Fuel stock expenses undistributed (Schedule VI)   |                    |            |
| 154                               | Materials and supplies  |                    |            |
| 163                               | Stores expense undistributed (Schedule  |                    | 61         |

|     |  |                 |                   |                   |
|-----|--|-----------------|-------------------|-------------------|
|     |  | VII)            |                   |                   |
| 165 | Prepayments  |                 | 39,413            | 47,834            |
| 174 | Miscellaneous current and accrued assets             | (Schedule VIII) |                   |                   |
|     |  |                 | <u>          </u> | <u>          </u> |
|     | Total Current and Accrued Assets                     |                 | <u>171,241</u>    | <u>144,169</u>    |
|     | <b>DEFERRED DEBITS</b>                               |                 |                   |                   |
| 181 | Unamortized debt expense                             |                 |                   |                   |
| 184 | Clearing accounts                                    |                 | 1                 | (11)              |
| 186 | Miscellaneous deferred debits                        | (Schedule IX)   | 62,959            | 44,644            |
| 188 | Research, development, or demonstration expenditures | (Schedule X)    |                   |                   |
| 190 | Accumulated deferred income taxes                    |                 |                   |                   |
|     |  |                 | <u>          </u> | <u>          </u> |
|     | Total Deferred Debits                                |                 | <u>62,960</u>     | <u>44,633</u>     |
|     | <b>TOTAL ASSETS AND OTHER DEBITS</b>                 |                 | <u>\$237,908</u>  | <u>\$192,625</u>  |

(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                           | AS OF DECEMBER |         |
|---------|---|----------------|---------|
|         |   | 2003           | 2002    |
|         | <b>PROPRIETARY CAPITAL</b>                                    |                |         |
| 201     | Common stock issued (Schedule XI)                             | \$             | \$      |
| 211     | Miscellaneous paid-in-capital (Schedule XI)                   | (38)           | (82)    |
| 215     | Appropriated retained earnings (Schedule XI)                  |                |         |
| 216     | Unappropriated retained earnings (Schedule XI)                |                |         |
|         | Total Proprietary Capital                                     | (38)           | (82)    |
|         | <b>LONG-TERM DEBT</b>   |                |         |
| 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  |                |         |
|         | <b>CURRENT AND ACCRUED LIABILITIES</b>                        |                |         |
| 231     | Notes payable   |                |         |
| 232     | Accounts payable  | 127,359        | 79,781  |
| 233     | Notes payable to associate companies (Schedule XIII)          | 46,275         | 65,909  |
| 234     | Accounts payable to associate companies (Schedule XIII)       |                |         |
| 236     | Taxes accrued   | 11,040         | (939)   |
| 237     | Interest accrued  |                |         |
| 238     | Dividends declared  |                |         |
| 241     | Tax collections payable                                       | 2,494          | 3,101   |
| 242     | Miscellaneous current and accrued liabilities (Schedule XIII) |                | (47)    |
|         | Total Current and Accrued Liabilities                         | 187,168        | 147,805 |
|         | <b>DEFERRED CREDITS AND OTHER</b>                             |                |         |



|                                |  |           |           |
|--------------------------------|--|-----------|-----------|
| <b>NON-CURRENT LIABILITIES</b> |  |           |           |
| 228                            | Accumulated provision for pension and benefits           | 14,032    | 11,004    |
| 253                            | Other deferred credits                                   | 25,239    | 22,643    |
| 255                            | Accumulated deferred investment tax credits              | _____     | _____     |
|                                | Total Deferred Credits and Other Non-Current Liabilities | 39,271    | 33,647    |
|                                |  | _____     | _____     |
| 282                            | <b>ACCUMULATED DEFERRED INCOME TAXES</b>                 | 11,507    | 11,255    |
|                                |  | _____     | _____     |
|                                | <b>TOTAL LIABILITIES AND PROPRIETARY CAPITAL</b>         | \$237,908 | \$192,625 |
|                                |  | _____     | _____     |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**SCHEDULE II-SERVICE COMPANY PROPERTY**

(thousands of dollars)

| DESCRIPTION  | BALANCE AT        |           | RETIREMENTS OR SALES | OTHER CHANGES (1), (4) | BALANCE AT CLOSE OF YEAR |
|--|-------------------|-----------|----------------------|------------------------|--------------------------|
|  | BEGINNING OF YEAR | ADDITIONS |                      |                        |                          |
| <b>SERVICE COMPANY PROPERTY</b>                              |                   |           |                      |                        |                          |
| 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)                       |                   |           |                      |                        |                          |
|  | —                 | —         | —                    | —                      | —                        |
| <b>SUB-TOTAL</b>   |                   |           |                      |                        |                          |
| 107 Construction work in progress (4)                        |                   |           |                      |                        |                          |
|  | —                 | —         | —                    | —                      | —                        |
| <b>TOTAL</b>   | \$                | \$        | \$                   | \$                     | \$                       |
|  | —                 | —         | —                    | —                      | —                        |

(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



**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**SCHEDULE III-ACCUMULATED PROVISION FOR DEPRECIATION  
AND AMORTIZATION OF SERVICE COMPANY PROPERTY**

(thousands of dollars)

| DESCRIPTION   | BALANCE<br>AT<br>BEGINNING<br>OF<br>YEAR | ADDITIONS<br>TO<br>ACCOUNT<br>403 | RETIREMENTS<br>OR<br>SALES | OTHER<br>CHANGES<br>(1) | BALANCE<br>AT<br>CLOSE<br>OF<br>YEAR |
|---|--|-----------------------------------|----------------------------|-------------------------|--------------------------------------|
| 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 equipment                              |  |                                   |                            |                         |                                      |
| 309 Automobiles, other vehicles and related<br>garage equipment |  |                                   |                            |                         |                                      |
| 310 Aircraft and airport equipment                              |  |                                   |                            |                         |                                      |
| 311 Other service company property                              |  |                                   |                            |                         |                                      |
|   | —  | —                                 | —                          | —                       | —                                    |
| <b>TOTAL</b>  | <b>\$</b>                                | <b>\$</b>                         | <b>\$</b>                  | <b>\$</b>               | <b>\$</b>                            |

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

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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 separately.

| <b>ACCOUNT</b> | <b>ASSETS AND OTHER DEBITS</b>                         | <b>BALANCE<br/>AT<br/>BEGINNING<br/>OF YEAR</b> | <b>BALANCE<br/>AT<br/>CLOSE<br/>OF YEAR</b> |
|----------------|--|---|---|
| 123            | Investment in associate companies                      | \$  | \$  |
| 124            | Other investments:                                     |   |   |
|                | Pacific Life Insurance Co.; Key Man Life Insurance (1) | 3,321   | 3,707                                       |
|                | US Bancorp; Rabbi Trust (1)                            | 502   |   |
| 136            | Temporary cash investments                             | _____   | _____                                       |
|                | TOTAL  | \$ 3,823  | \$ 3,707                                    |
|                |  | _____   | _____                                       |

(1) Funding vehicles for deferred compensation obligations

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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<br>AT<br>BEGINNING<br>OF YEAR | BALANCE<br>AT<br>CLOSE<br>OF YEAR |
|---|---------------------------------------|-----------------------------------|
| Account 146 Accounts Receivable from Associate Companies      |                                       |                                   |
| Public Service Company of Colorado (PSCo)                     | \$ 26,264                             | \$ 33,138                         |
| Northern States Power Company (a Minnesota Corp.)<br>(NSP-MN) | 45,398                                | 25,931                            |
| Xcel Energy Inc.  | 6,330                                 | 17,718                            |
| Southwestern Public Service Company (SPS)                     | 6,335                                 | 15,013                            |
| Northern States Power Company (a Wisconsin Corp.) (NSP-WI)    | 4,789                                 | 6,652                             |
| Xcel Energy Markets Holdings Inc.                             | 231                                   | 1,312                             |
| Planergy International Inc.                                   | 470                                   | 1,155                             |
| Utility Engineering Corporation                               | 3,238                                 | 1,151                             |
| Cheyenne Light, Fuel and Power Company                        | 462                                   | 761                               |
| Xcel Energy International Inc.                                | 27                                    | 299                               |
| Seren Innovations, Inc.                                       | 171                                   | 294                               |
| e prime, inc.   | 183                                   | 173                               |
| Xcel Energy Products and Services Inc.                        | 190                                   | 169                               |
| XERS Inc.   | 228                                   | 162                               |
| 1480 Welton, Inc.   | 136                                   | 75                                |
| Xcel Energy Ventures Inc.                                     | 541                                   | 71                                |
| NCE Communications, Inc.                                      | 1                                     | 43                                |
| United Power & Land Company                                   | 28                                    | 37                                |
| Xcel Energy Performance Contracting Inc.                      |                                       | 32                                |
| e prime Energy Marketing, Inc.                                | 14                                    | 32                                |
| Eloigne Company   | 15                                    | 27                                |
| P.S.R. Investments, Inc.                                      | 4                                     | 16                                |
| Xcel Energy Wyco Inc.   | 8                                     | 7                                 |
| Xcel Energy Transco Inc.                                      |                                       | 6                                 |
| Xcel Energy-Cadence Inc.                                      | (1)                                   | 2                                 |
| WestGas InterState, Inc.                                      | 1                                     | 2                                 |
| Reddy Kilowatt Corporation                                    | 1                                     | 2                                 |
| Xcel Energy Wholesale Group Inc.                              |                                       | 2                                 |

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|   |                   |                   |
|---|-------------------|-------------------|
| Xcel Energy Retail Holdings Inc.          |                   | 1                 |
| Chippewa and Flambeau Improvement Company |                   | 1                 |
| e prime Florida, Inc.                     |                   | 1                 |
| Wyco Development LLC                      | 1                 |                   |
| NRG Energy, Inc.                          | 4,384             |                   |
| Viking Gas Transmission Company           | 146               |                   |
| Black Mountain Gas Company                | (180)             |                   |
| XEPS LLC (dissolved)                      | (28)              |                   |
|   | <u>          </u> | <u>          </u> |
| TOTAL                                     | \$ 99,387         | \$ 104,285        |
|   | <u>          </u> | <u>          </u> |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

|  | <b>TOTAL<br/>PAYMENTS</b> |
|--|---------------------------|
|  | <hr/>                     |
| Analysis of Convenience or Accommodation Payments: |                           |
| NSP-MN   | \$ 51,251                 |
| PSCo   | 36,508                    |
| SPS  | 18,377                    |
| Xcel Energy Inc.                                   | 7,504                     |
| NSP-WI   | 7,475                     |
| Xcel Energy Markets Holdings Inc.                  | 2,269                     |
| Utility Engineering Corporation                    | 1,483                     |
| Seren Innovations, Inc.                            | 855                       |
| Cheyenne Light, Fuel and Power Company             | 606                       |
| Xcel Energy International Inc.                     | 327                       |
| NRG Energy, Inc.                                   | 182                       |
| Planergy International Inc.                        | 177                       |
| Xcel Energy Products and Services Inc.             | 173                       |
| United Power & Land Company                        | 122                       |
| e prime, inc.                                      | 89                        |
| Black Mountain Gas Company                         | 86                        |
| Eloigne Company                                    | 67                        |
| Viking Gas Transmission Company                    | 47                        |
| 1480 Welton, Inc.                                  | 41                        |
| XERS Inc.  | 32                        |
| Xcel Energy Wyco Inc.                              | 6                         |
| P.S.R. Investments, Inc.                           | 6                         |
| Chippewa and Flambeau Improvement Company          | 6                         |
| NCE Communications, Inc.                           | 4                         |
| Xcel Energy-Cadence Inc.                           | 2                         |
| Reddy Kilowatt Corporation                         | 1                         |
|  | <hr/>                     |
| <b>TOTAL PAYMENTS</b>                              | <b>\$127,696</b>          |
|  | <hr/>                     |



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, communications and advertising.

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <u>DESCRIPTION</u>                               | <u>LABOR EXPENSE TOTAL</u> |                 |                 |
|--|----------------------------|-----------------|-----------------|
| Account 152 Fuel Stock Expenses<br>Undistributed | \$<br>—                    | \$<br>—         | \$<br>—         |
| <b>TOTAL</b>                                     | <b>\$<br/>—</b>            | <b>\$<br/>—</b> | <b>\$<br/>—</b> |

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.

| <u>DESCRIPTION</u>                        | <u>LABOR EXPENSE TOTAL</u> |                 |                 |
|---|----------------------------|-----------------|-----------------|
| Account 163 Stores Expenses Undistributed | \$<br>—                    | \$<br>—         | \$<br>—         |
| <b>TOTAL</b>                              | <b>\$<br/>—</b>            | <b>\$<br/>—</b> | <b>\$<br/>—</b> |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>DESCRIPTION</b>                                   | <b>BALANCE<br/>AT<br/>BEGINNING<br/>OF YEAR</b> | <b>BALANCE<br/>AT<br/>CLOSE<br/>OF YEAR</b> |
|--|---|---|
| Account 174 Miscellaneous Current and Accrued Assets | \$<br>—   | \$<br>—                                     |
| <b>TOTAL</b>   | <b>\$<br/>—</b>                                 | <b>\$<br/>—</b>                             |

**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.

| <b>DESCRIPTION</b>   | <b>BALANCE<br/>AT<br/>BEGINNING<br/>OF YEAR</b> | <b>BALANCE<br/>AT<br/>CLOSE<br/>OF YEAR</b> |
|--|---|---|
| Account 186 Miscellaneous Deferred Debits<br>Prepaid pension | \$44,644<br>—                                   | \$62,959<br>—                               |
| <b>TOTAL</b>   | <b>\$44,644<br/>—</b>                           | <b>\$62,959<br/>—</b>                       |

**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.

| <b>DESCRIPTION</b>   | <b>BALANCE<br/>AT<br/>BEGINNING<br/>OF YEAR</b> | <b>BALANCE<br/>AT<br/>CLOSE<br/>OF YEAR</b> |
|--|---|---|
| Account 188 Research, Development, or Demonstration Expenditures | \$<br>—   | \$<br>—                                     |
| <b>TOTAL</b>   | \$<br><b>—</b>                                  | \$<br><b>—</b>                              |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**SCHEDULE XI PROPRIETARY CAPITAL**

(thousands of dollars, except per share data)

| ACCOUNT<br>NUMBER | CLASS OF STOCK      | NUMBER<br>OF<br>SHARES<br>AUTHORIZED | PAR OR<br>STATED<br>VALUE<br>PER<br>SHARE | OUTSTANDING AT<br>CLOSE OF PERIOD |                 |
|-------------------|---------------------|--------------------------------------|---|-----------------------------------|-----------------|
|                   |                     |                                      |   | NUMBER<br>OF<br>SHARES            | TOTAL<br>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    |
| Account 211 Accumulated Other Comprehensive Income:<br>unrealized investments gains (losses) | (39)    |
| Account 215 Appropriated Retained Earnings   | —       |
| TOTAL  | \$ (38) |

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.

| DESCRIPTION | BALANCE<br>AT        | NET<br>INCOME<br>OR<br>(LOSS) | DIVIDENDS<br>PAID | BALANCE<br>AT       |
|-------------|----------------------|-------------------------------|-------------------|---------------------|
|             | BEGINNING<br>OF YEAR |                               |                   | CLOSE<br>OF<br>YEAR |

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|             |                                  |    |    |    |    |
|-------------|----------------------------------|----|----|----|----|
| Account 216 | Unappropriated Retained Earnings | \$ | \$ | \$ | \$ |
|             |                                  | —  | —  | —  | —  |
| TOTAL       |                                  | \$ | \$ | \$ | \$ |
|             |                                  | —  | —  | —  | —  |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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        |             | DEDUCTIONS (1) | BALANCE AT CLOSE OF YEAR |
|--|---|------------------|---------------|-------------------|-------------------|-------------|----------------|--------------------------|
|  |   |                  |               |                   | BEGINNING OF YEAR | END OF YEAR |                |                          |
| Account 223 - Advances From Associate Companies: |   |                  |               |                   | \$                | \$          | \$             | \$                       |
| Account 224 - Other Long-Term Debt:              |   |                  |               |                   | —                 | —           | —              | —                        |
| <b>TOTAL</b>                                     |   |                  |               |                   | \$                | \$          | \$             | \$                       |

(1) Give an explanation of deductions: None

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>DESCRIPTION</b>  | <b>BALANCE<br/>AT<br/>BEGINNING<br/>OF YEAR</b> | <b>BALANCE<br/>AT<br/>CLOSE<br/>OF YEAR</b> |
|---|---|---|
| Account 233 Notes Payable to Associate Companies<br>Notes Payable - Xcel Energy Inc.            | \$ 65,909                                       | \$ 46,275                                   |
| TOTAL   | \$ 65,909                                       | \$ 46,275                                   |
| Account 234 Accounts Payable to Associate Companies   | \$  | \$  |
| TOTAL   | \$  | \$  |
| Account 242 Miscellaneous Current and Accrued Liabilities<br>Current Liability Suspense Account | \$ (47)   | \$  |
| TOTAL   | \$ (47)   | \$  |



**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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 (PSCo) and Southwestern Public Service Company (SPS).

Until 2003, Xcel Energy's regulated businesses included Viking Gas Transmission Co., which was sold in January 2003, and Black Mountain Gas Co., which was sold in October 2003.

Xcel Energy also divested its ownership interest in NRG Energy, Inc. (NRG), an independent power producer, in 2003. At Dec. 31, 2002, NRG was a wholly-owned subsidiary of Xcel Energy. On May 14, 2003, NRG and certain of its affiliates filed voluntary petitions in the U.S. Bankruptcy Court for the Southern District of New York for reorganization under Chapter 11 of the U.S. Bankruptcy Code to restructure their debt. On Dec. 5, 2003, NRG completed its reorganization and emerged from bankruptcy. As a result, Xcel Energy divested its ownership interest in NRG.

**Regulation**

XES is subject to regulation by the SEC under the PUHCA. XES's 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 for Mutual Service Companies as administered by the SEC.

**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.

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## 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 (\$0.01) per share. As of Dec. 31, 2003, all shares of common stock were issued and held by Xcel Energy.

## 3. SHORT-TERM BORROWINGS

At Dec. 31, 2003, Xcel Energy had \$400 million in credit facilities with several banks.

| <b>Period Beginning</b> | <b>Term</b> | <b>Credit Line</b> |
|-------------------------|-------------|--------------------|
| November 2000           | 5 years     | \$400 million      |

The line of credit provides short-term financing in the form of notes payable to banks and letters of credit. At Dec. 31, 2003, there were \$18.5 million in letters of credit outstanding under the Xcel Energy credit facilities. The borrowing rate under this line of credit is based on either the bank's published base rate or the applicable London Interbank Offered Rate (LIBOR) plus a euro dollar rate margin.

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

|                                | <b>2003</b> | <b>2002</b> |
|--------------------------------|-------------|-------------|
| Intercompany borrowings        | \$20,100    | \$65,909    |
| Weighted average interest rate | 1.24%       | 2.79%       |

Beginning in 2003 and upon receiving the necessary state regulatory approvals, NSP-Minnesota, NSP-Wisconsin, PSCo, SPS and Cheyenne Light Fuel and Power (Cheyenne), a wholly-owned utility subsidiary of Xcel Energy, will participate in a utility money pool. At Dec. 31, 2003, Cheyenne is the only utility that has received the necessary approvals for participation in the money pool. The utility money pool arrangement allows excess funds of the holding company to be made available to the utility subsidiaries for short-term borrowing purposes. It also allows excess funds of the utility subsidiaries to be made available to one another; however, the money pool arrangement does not allow loans to the Xcel Energy parent company. The utility money pool is funded with either external or internal funds, or

both. The cost of external funds is the underlying cost of credit facility borrowings. The rate for internal funds is the 30-day commercial paper rate for the previous month-end.

XES is the administrator of the utility money pool. At Dec. 31, 2003, XES held a note payable to Xcel Energy and a note receivable from Cheyenne, both in the amount of \$26.2 million, related to funds contributed to the utility money pool from Cheyenne. The interest rate for funds in the utility money pool was 1.02% at Dec. 31, 2003.

#### **4. COMMITMENTS AND CONTINGENCIES**

##### **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

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dividends, additional debt, or further leasing. Rental expense for the years ended Dec. 31, 2003 and 2002 was approximately \$12.5 million and \$18.0 million, respectively.

Estimated future minimum lease payments at Dec. 31, 2003 are as follows (thousands of dollars):

|                      |           |
|----------------------|-----------|
| 2004                 | \$ 10,092 |
| 2005                 | 10,383    |
| 2006                 | 8,405     |
| 2007                 | 5,907     |
| 2008                 | 5,907     |
| All years thereafter | 5,907     |

### Technology Agreement

XES has a contract that extends through 2011 with International Business Machines Corporation (IBM) for information technology services. The contract is cancelable at our option, although there are financial penalties for early termination. In 2003, XES paid IBM \$114.2 million under the contract and \$19.4 million for other project business. The contract also has a committed minimum payment each year from 2004 through 2011.

### 5. BENEFIT PLANS AND OTHER POSTRETIREMENT BENEFITS

Xcel Energy offers various benefit plans to its benefit employees. At Dec. 31, 2003, there were 10,854 Xcel Energy employees (including 2,973 Company employees) eligible for benefits.

#### Pensions

The Company participates in various tax qualified noncontributory defined benefit pension plans, which cover substantially all Xcel Energy employees. 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, 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, timber ventures, private equity and venture capital.

The actual composition of pension plan assets at Dec. 31 was:

|                   | <u>2003</u> | <u>2002</u> |
|-------------------|-------------|-------------|
| Equity securities | 75%         | 68%         |
| Debt securities   | 14          | 16          |

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|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Real estate                | 3                 |                   |
| Cash                       |                   | 4                 |
| Nontraditional investments | 8                 | 12                |
|                            | <u>          </u> | <u>          </u> |
|                            | 100%              | 100%              |

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Summary information of the actuarially computed benefit obligation, plan assets, funded status and prepaid pension asset for the Xcel Energy plans at Dec. 31, 2003 and 2002, is presented in the following table (in thousands):

|   | <u>2003</u>       | <u>2002</u>       |
|---|-------------------|-------------------|
| Benefit obligation                                    | \$2,632,491       | \$2,505,576       |
| Fair value of plan assets                             | <u>3,024,661</u>  | <u>2,639,963</u>  |
| <br>  |                   |                   |
| Funded status: Plan assets exceed benefit obligations | <u>\$ 392,170</u> | <u>\$ 134,387</u> |
| <br>  |                   |                   |
| Xcel Energy prepaid pension asset                     | <u>\$ 567,227</u> | <u>\$ 466,229</u> |

The Company's net periodic pension credit for the years ended Dec. 31, 2003 and 2002 was \$18.3 million and \$22.7 million, respectively. Significant assumptions used by the Company's actuary in the determination of these amounts are presented in the following table:

|  | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|
| Significant assumptions used to measure benefit obligations: |             |             |
| Discount rate for year-end valuation                         | 6.25%       | 6.75%       |
| Expected average long-term increase in compensation level    | 3.50%       | 4.00%       |
| Significant assumptions used to measure costs:               |             |             |
| Expected average long-term rate of return on assets          | 9.25%       | 9.50%       |

### 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 \$15.9 million and \$18.3 million in 2003 and 2002, respectively.

Until May 6, 2002, Xcel Energy had a leveraged employee stock ownership plan (ESOP) that covered substantially all employees of NSP-Minnesota and NSP-Wisconsin. Xcel Energy made contributions to this noncontributory, defined contribution plan to the extent it realized tax savings from dividends paid on certain ESOP shares. 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. The ESOP component of the 401(k) Plan is no longer 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.

The investment strategy for the postretirement health care fund assets is fairly conservative, with minimal exposure to equity markets and a focus on fixed income and cash equivalents to preserve investment capital while earning modest income.

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The actual composition of postretirement benefit plan assets at Dec. 31, was:

|                               | <u>2003</u> | <u>2002</u> |
|-------------------------------|-------------|-------------|
| Fixed income/debt securities  | 2%          | 2%          |
| Equity mutual fund securities | 14          | 12          |
| Cash equivalents              | 84          | 85          |
| Other                         | —           | 1           |
|                               | 100%        | 100%        |

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

|  | <u>2003</u>      | <u>2002</u>      |
|--|------------------|------------------|
| Benefit obligation                             | \$775,230        | \$767,975        |
| Fair value of plan assets                      | <u>285,861</u>   | <u>250,983</u>   |
| Funded status: Plan obligations exceed assets  | <u>\$489,369</u> | <u>\$516,992</u> |
| Xcel Energy accrued benefit liability recorded | <u>\$120,510</u> | <u>\$151,967</u> |

The Company's net periodic postretirement benefit cost for the years ended Dec. 31, 2003 and 2002 was \$1.3 million and \$2.7 million, respectively. Significant assumptions used by the Company's actuary in the determination of these amounts are presented in the following table:

|  | <u>2003</u> | <u>2002</u> |
|--|-------------|-------------|
| Significant assumptions used to measure benefit obligations: |             |             |
| Discount rate for year-end valuation                         | 6.25%       | 6.75%       |
| Significant assumptions used to measure costs:               |             |             |
| Expected average long-term rate of return on assets          | 8.0-9.0%    | 9.0%        |

The assumed health care cost trend rate for 2003 is approximately 7.5 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 Company's total accumulated benefit obligation by approximately \$2,943,000 and the service and interest cost components of net periodic postretirement benefit costs by approximately \$233,000. A 1-percent decrease in the

assumed health care cost trend rate will decrease the Company's total accumulated benefit obligation by approximately \$2,544,000 and the service and interest cost components of net periodic postretirement benefit costs by approximately \$202,000.

***Impact of 2003 Medicare Legislation*** On Dec. 8, 2003, President Bush signed into law the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act). The Act expanded Medicare to include, for the first time, coverage for prescription drugs. This new coverage is generally effective Jan. 1, 2006. Many of Xcel Energy's retiree medical programs provide prescription drug coverage for retirees over age 65 with coverage at least equivalent to the benefit to be provided under Medicare. While retirees remain in Xcel Energy's postretirement health care plan without participating in the new Medicare prescription drug coverage, Medicare will share the cost of Xcel Energy's plan. This legislation has therefore reduced Xcel Energy's share of the obligation for future retiree medical benefits.

The postretirement health care benefit obligation shown in the chart previously is the actuarial present value, as of Dec. 31, 2003, of Xcel Energy's share of future retiree medical benefits attributable to service through the current year. This obligation has been reduced to reflect the effects of this legislation. The FASB has not yet issued authoritative guidance on the method it prefers to reflect the Act in these calculations. In addition, regulations implementing this legislation have not yet been issued by Medicare agencies. As a result, when guidance and regulations are issued, the estimates of future costs and obligations could change and previously estimated information may require revision.

As of Dec. 31, 2003, Xcel Energy had reduced the postretirement health care benefit obligation by \$64.6 million due to the expected sharing of the cost of the program by Medicare under the new legislation. Also, beginning in 2004, it is expected that the annual net periodic postretirement benefit cost will be reduced by approximately \$10 million as a result of the expected sharing of the cost of the program by Medicare, with similar savings in subsequent years. This reduction includes both the decrease in the cost of future benefits being earned during this year, and an amortization of the benefit obligation reduction,

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previously noted, over approximately nine years. These estimated reductions do not reflect any changes that may result in future levels of participation in the plan or the associated per capita claims cost due to the availability of prescription drug coverage for Medicare-eligible retirees. Also, in reflecting this legislation, Medicare cost sharing for a plan has been assumed only if Xcel Energy's projected contribution to the plan is expected to be at least equal to the Medicare Part D basic benefit.

## 6. INCOME TAXES

The provision for income taxes for the years ended Dec. 31, 2003 and 2002 consist of the following (in thousands of dollars):

|                                  | <u>2003</u>       | <u>2002</u>       |
|----------------------------------|-------------------|-------------------|
| Current income taxes:            |                   |                   |
| Federal                          | \$ 164            | \$(2,833)         |
| State                            | (380)             | (393)             |
|                                  | <u>          </u> | <u>          </u> |
| Total current income taxes       | (216)             | (3,226)           |
|                                  | <u>          </u> | <u>          </u> |
| Deferred income taxes:           |                   |                   |
| Federal                          | 380               | 1,319             |
| State                            | 71                | 183               |
|                                  | <u>          </u> | <u>          </u> |
| Total deferred income taxes      | 451               | 1,502             |
|                                  | <u>          </u> | <u>          </u> |
| Total provision for income taxes | \$ 235            | \$(1,724)         |
|                                  | <u>          </u> | <u>          </u> |

A reconciliation of the statutory U.S. income tax rate and the effective tax rates for the years ended Dec. 31, 2003 and 2002 follows (dollars in thousands):

|  | <u>2003</u> |      | <u>2002</u> |     |
|--|-------------|------|-------------|-----|
| Tax computed at U.S. statutory rate on pre-tax accounting income | \$ 82       | 35%  | \$ (604)    | 35% |
| Increase (decrease) in tax from:                                 |             |      |             |     |
| State income taxes, net of Federal income tax benefit            | (211)       | (90) | (136)       | 7   |
| Non-deductible business meals                                    | 395         | 168  | 110         | (6) |
| Stock options  | (155)       | (66) | (1,838)     | 107 |

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|                    |                   |                   |                   |                   |
|--------------------|-------------------|-------------------|-------------------|-------------------|
| Lobbying expenses  | 140               | 60                | 709               | (41)              |
| Other              | (16)              | (7)               | 35                | (2)               |
|                    | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| Total income taxes | \$ 235            | 100%              | \$(1,724)         | 100%              |
|                    | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

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

|   | <u>2003</u>       | <u>2002</u>       |
|---|-------------------|-------------------|
| Deferred income tax liabilities:                  |                   |                   |
| Difference between book and tax basis of property | \$ 1,415          | \$                |
| Information systems charges                       | 2,500             | 4,537             |
| Pension related costs                             | 19,929            | 12,338            |
| Rent adjustments                                  | 2,307             | 2,307             |
| Vacation liability                                | 652               | 447               |
| Prepaid advertising                               | 175               |                   |
|   | <u>          </u> | <u>          </u> |
| Total   | <u>\$26,978</u>   | <u>\$ 19,629</u>  |
| Deferred income tax assets:                       |                   |                   |
| Postretirement benefit costs                      | \$ 4,913          | \$ 4,249          |
| Employee severance costs                          | 504               | 4,125             |
| NOL carryforward adjustment                       | 199               |                   |
| Executive incentive plans                         | 9,855             |                   |
|   | <u>          </u> | <u>          </u> |
| Total   | <u>\$15,471</u>   | <u>\$ 8,374</u>   |
| Net deferred income tax liability                 | <u>\$11,507</u>   | <u>\$11,255</u>   |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**SCHEDULE XV - COMPARATIVE STATEMENT OF INCOME**

(thousands of dollars)

| <b>ACCOUNT</b> | <b>DESCRIPTION</b>                                 | <b>CURRENT<br/>YEAR</b> | <b>PRIOR<br/>YEAR</b> |
|----------------|--|-------------------------|-----------------------|
|                | <b>INCOME</b>                                      |                         |                       |
| 457            | Services rendered to associate companies           | \$707,781               | \$ 633,205            |
| 458            | Services rendered to nonassociate companies        |                         |                       |
| 421            | Miscellaneous income and loss                      |                         |                       |
|                |  | <hr/>                   | <hr/>                 |
|                | <b>TOTAL INCOME</b>                                | <b>707,781</b>          | <b>633,205</b>        |
|                |  | <hr/>                   | <hr/>                 |
|                | <b>EXPENSES</b>                                    |                         |                       |
| 920            | Salaries and wages                                 | 267,482                 | 219,445               |
| 921            | Office supplies and expenses                       | 242,493                 | 419,257               |
| 922            | Administrative expenses transferred - credit       | (11,370)                | (174,628)             |
| 923            | Outside services employed                          | 94,845                  | 101,253               |
| 924            | Property insurance                                 | 72                      | 141                   |
| 925            | Injuries and damages                               | 4,222                   | 7,324                 |
| 926            | Employee pensions and benefits                     | 22,021                  | 6,641                 |
| 928            | Regulatory commission expenses                     | (5)                     | (36)                  |
| 930.1          | General advertising expenses                       | 13,767                  | 9,071                 |
| 930.2          | Miscellaneous general expenses                     | 15,250                  | 14,533                |
| 931            | Rents  | 9,169                   | 7,930                 |
| 932            | Maintenance of structures and equipment            | 1                       |                       |
| 935            | Maintenance of general plant                       |                         |                       |
|                | <b>OTHER EXPENSES</b>                              |                         |                       |
| 403            | Depreciation and amortization expense              |                         |                       |
| 408            | Taxes other than income taxes                      | 17,389                  | 14,760                |
| 409            | Income taxes                                       | (216)                   | (3,226)               |
| 410            | Provision for deferred income taxes                | 451                     | 1,502                 |
| 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  | 3,728                   | 1,310                 |
| 426.4          | Civic and Political Activities                     | 3,578                   |                       |
| 426.5          | Other deductions                                   | 23,866                  | 6,942                 |
| 427            | Interest on long-term debt                         |                         |                       |

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|     |   |                |                |
|-----|---|----------------|----------------|
| 430 | Interest on debt to associate companies | 1,635          | 1,345          |
| 431 | Other interest expense                  | <u>(597)</u>   | <u>(359)</u>   |
|     | <b>TOTAL EXPENSE</b>                    | <u>707,781</u> | <u>633,205</u> |
|     | <b>NET INCOME OR (LOSS)</b>             | <u>\$</u>      | <u>\$</u>      |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**ANALYSIS OF BILLING****ASSOCIATE COMPANIES ACCOUNT 457**

(thousands of dollars)

| NAME OF ASSOCIATE COMPANY                      | DIRECT    | INDIRECT  | COMPENSATION | TOTAL     |
|--|-----------|-----------|--------------|-----------|
|  | COSTS     | COSTS     | FOR USE      | AMOUNT    |
|  | CHARGED   | CHARGED   | OF           | BILLED    |
|  | 457-1     | 457-2     | 457-3        |           |
| NSP-MN   | \$226,870 | \$ 39,406 | \$ 241       | \$266,517 |
| PSCo   | 220,388   | 38,164    | 735          | 259,287   |
| SPS  | 72,251    | 14,390    | 171          | 86,812    |
| NSP-WI   | 36,548    | 6,954     | 38           | 43,540    |
| Xcel Energy Inc.                               | 26,610    | 3,015     | 20           | 29,645    |
| Cheyenne Light, Fuel and Power Company         | 2,700     | 767       | 23           | 3,490     |
| Utility Engineering Corporation                | 1,726     | 1,675     | 18           | 3,419     |
| NRG Energy, Inc.                               | 1,243     | 1,664     | 231          | 3,138     |
| Xcel Energy Transco Inc.                       | 2,638     | 52        | 57           | 2,747     |
| XERS Inc.                                      | 1,989     | 99        | 2            | 2,090     |
| e prime, inc.                                  | 1,388     | 291       | 7            | 1,686     |
| Seren Innovations, Inc.                        | 844       | 717       | 2            | 1,563     |
| Xcel Energy International Inc.                 | 1,106     | 66        | 1            | 1,173     |
| Planergy International Inc.                    | 479       | 131       | 89           | 699       |
| 1480 Welton, Inc.                              | 56        | 338       |              | 394       |
| Public Service Company of Colorado (Hayden)    | 261       | 3         |              | 264       |
| Viking Gas Transmission Company                | 207       |           |              | 207       |
| Eloigne Company                                | 114       | 62        |              | 176       |
| e-prime Energy Marketing, Inc.                 | 157       | 4         |              | 161       |
| Black Mountain Gas Company                     | 68        | 89        |              | 157       |
| Public Service Company of Colorado (Tri-State) | 112       |           |              | 112       |
| P.S.R. Investments, Inc.                       | 87        | 19        |              | 106       |
| NCE Communications, Inc.                       | 82        | 9         |              | 91        |
| Xcel Energy Markets Holdings Inc.              | 59        |           | 3            | 62        |
| Xcel Energy WYCO Inc.                          | 22        | 21        |              | 43        |
| United Power and Land Company                  | 32        | 10        |              | 42        |
| Xcel Energy Performance Contracting Inc.       | 35        | 1         |              | 36        |
| Xcel Energy Products and Services Inc.         | 31        |           |              | 31        |
| WestGas InterState, Inc.                       | 23        | 1         |              | 24        |
| Chippewa and Flambeau Improvement Company      | 21        |           |              | 21        |
| Reddy Kilowatt Corporation                     | 4         | 4         |              | 8         |



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|                                      |                   |                   |                   |                   |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Xcel Energy Wholesale Group Inc.     | 8                 |                   |                   | 8                 |
| Xcel Energy-Cadence Inc.             | 6                 |                   |                   | 6                 |
| NSP Lands, Inc.                      | 6                 |                   |                   | 6                 |
| e-prime Florida, Inc.                | 6                 |                   |                   | 6                 |
| Xcel Energy Ventures Inc.            | 2                 |                   | 3                 | 5                 |
| Clearwater Investments, Inc.         | 4                 |                   |                   | 4                 |
| Xcel Energy Retail Holdings Inc.     | 2                 |                   |                   | 2                 |
| Texas Ohio Pipeline, Inc.            | 1                 |                   |                   | 1                 |
| Xcel Energy-Centrus Inc. (dissolved) | 1                 |                   |                   | 1                 |
| XEPS LLC (dissolved)                 | 1                 |                   |                   | 1                 |
|                                      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| TOTAL                                | \$598,188         | \$107,952         | \$ 1,641          | \$707,781         |
|                                      | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**ANALYSIS OF BILLING****NONASSOCIATE COMPANIES ACCOUNT 458**

(thousands of dollars)

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

| <b>NAME OF<br/>NONASSOCIATE<br/>COMPANY</b> | <b>DIRECT<br/>COSTS<br/>CHARGED</b> | <b>INDIRECT<br/>COSTS<br/>CHARGED</b> | <b>COMPENSATION<br/>FOR USE<br/>OF CAPITAL</b> | <b>TOTAL<br/>COST</b> | <b>EXCESS<br/>OR<br/>DEFICIENCY</b> | <b>TOTAL<br/>AMOUNT<br/>BILLED</b> |
|---|-------------------------------------|---------------------------------------|--|-----------------------|-------------------------------------|------------------------------------|
|   | <b>458-1</b>                        | <b>458-2</b>                          | <b>458-3</b>                                   |                       | <b>458-4</b>                        |                                    |
| None  |                                     |                                       |  |                       |                                     |                                    |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| ACCOUNT | DESCRIPTION OF ITEMS                        | ASSOCIATE COMPANY CHARGES |                | NONASSOCIATE COMPANY CHARGES |
|---------|---|---------------------------|----------------|------------------------------|
|         |   | DIRECT COST               | INDIRECT COST  | TOTAL (None)                 |
| 920     | Salaries and wages                          | \$236,219                 | \$ 31,263      | \$267,482                    |
| 921     | Office supplies and expenses                | 204,128                   | 38,365         | 242,493                      |
| 922     | Administrative expense transferred - credit | (11,370)                  |                | (11,370)                     |
| 923     | Outside services employed                   | 80,748                    | 14,097         | 94,845                       |
| 924     | Property insurance                          | 66                        | 6              | 72                           |
| 925     | Injuries and damages                        | 1,453                     | 2,769          | 4,222                        |
| 926     | Employee pensions and benefits              | 17,507                    | 4,514          | 22,021                       |
| 928     | Regulatory commission expense               | (40)                      | 35             | (5)                          |
| 930.1   | General advertising expenses                | 7,575                     | 6,192          | 13,767                       |
| 930.2   | Miscellaneous general expense               | 12,570                    | 2,680          | 15,250                       |
| 931     | Rents                                       | 8,948                     | 221            | 9,169                        |
| 932     | Maintenance of structures and equipment     | 1                         |                | 1                            |
| 403     | Depreciation and amortization expense       |                           |                |                              |
| 408     | Taxes other than income taxes               | 14,787                    | 2,602          | 17,389                       |
| 409     | Income taxes                                | (216)                     |                | (216)                        |
| 410     | Provision for deferred income taxes         | 451                       |                | 451                          |
| 411     | Provision for deferred income taxes-credit  |                           |                |                              |
| 411.5   | Investment tax credit                       |                           |                |                              |
| 426.1   | Donations                                   | 703                       | 3,025          | 3,728                        |
| 426.4   | Civic and Political Activities              | 2,573                     | 1,005          | 3,578                        |
| 426.5   | Other deductions                            | 22,091                    | 1,775          | 23,866                       |
| 427     | Interest on long-term debt                  |                           |                |                              |
| 431     | Other interest expense                      |                           | (597)          | (597)                        |
|         | <b>TOTAL EXPENSES</b>                       | <b>598,194</b>            | <b>107,952</b> | <b>706,145</b>               |

|     |   |                         |                         |                         |
|-----|---|-------------------------|-------------------------|-------------------------|
| 430 | Compensation for use of equity capital  |                         |                         |                         |
|     | Interest on debt to associate companies | <u>1,635</u>            | <u></u>                 | <u>1,635</u>            |
|     | <b>TOTAL COST OF SERVICE</b>            | <b><u>\$599,829</u></b> | <b><u>\$107,952</u></b> | <b><u>\$707,781</u></b> |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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<br>AMOUNT | DEPARTMENT OR SERVICE<br>FUNCTION |                         |                   |         |         |
|----------------|---|-----------------|-----------------------------------|-------------------------|-------------------|---------|---------|
|                |   |                 | EXECUTIVE<br>MGMT                 | ESTIMATION<br>RELATIONS | INTERNAL<br>AUDIT | LEGAL   |         |
| 920            | Salaries and wages                          | 267,482         | 98,019                            | 1,704                   | 555               | 1,283   | 3,503   |
| 921            | Office supplies and expenses                | 242,493         |                                   | 1,025                   | 1,574             | 149     | 1,081   |
| 922            | Administrative expense transferred - credit | (11,370)        |                                   |                         |                   |         |         |
| 923            | Outside services employed                   | 94,845          |                                   | 1,766                   | 680               | 90      | 4,260   |
| 924            | Property insurance                          | 72              |                                   |                         |                   |         | 2       |
| 925            | Injuries and damages                        | 4,222           | 1,514                             |                         |                   |         |         |
| 926            | Employee pensions and benefits              | 22,021          | 22,021                            |                         |                   |         |         |
| 928            | Regulatory commission expense               | (5)             |                                   |                         |                   |         |         |
| 930.1          | General advertising expenses                | 13,767          |                                   |                         | 5                 |         |         |
| 930.2          | Miscellaneous general expense               | 15,250          |                                   | 1,693                   | 848               |         |         |
| 931            | Rents                                       | 9,169           |                                   |                         |                   |         |         |
| 932            | Maintenance of structures and equipment     | 1               |                                   |                         |                   |         |         |
| 935            | Maintenance of general plant                |                 |                                   |                         |                   |         |         |
| 403            | Depreciation and amortization expense       |                 |                                   |                         |                   |         |         |
| 408            | Taxes other than income taxes               | 17,389          | 17,375                            |                         |                   |         |         |
| 409            | Income taxes                                | (216)           |                                   |                         |                   |         |         |
| 410            | Provision for deferred income taxes         | 451             |                                   |                         |                   |         |         |
| 411            | Provision for deferred income taxes-credit  |                 |                                   |                         |                   |         |         |
| 411.5          | Investment tax credit                       |                 |                                   |                         |                   |         |         |
| 426.1          | Donations                                   | 3,728           |                                   | 141                     |                   |         |         |
| 426.4          | Civic and Political Activities              | 3,578           | 167                               | 60                      | 247               |         |         |
| 426.5          | Other deductions                            | 23,866          |                                   | 33                      |                   |         | 951     |
| 427            | Interest on long-term debt                  |                 |                                   |                         |                   |         |         |
| 430            | Interest on debt to associate companies     | 1,635           |                                   |                         |                   |         |         |
| 431            | Other interest expense                      | (597)           |                                   |                         |                   |         |         |
| TOTAL EXPENSES |   | \$707,781       | \$139,096                         | \$6,422                 | \$3,909           | \$1,522 | \$9,797 |



**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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 |                |  |                            |                          |
|---------|---|--------------------------------|----------------|--|----------------------------|--------------------------|
|         |   | SERVICES                       | COMMUNICATIONS | CORP STRATEGY & GOVERNMENT BUS DEVELOPMENT | CLAIMS CORPORATE & AFFAIRS | FACILITIES & REAL ESTATE |
| 920     | Salaries and wages                          | 613                            | 2,541          | 1,764                                      | 900                        | 2,034                    |
| 921     | Office supplies and expenses                | 136                            | 2,559          | 1,079                                      | 522                        | 5,204                    |
| 922     | Administrative expense transferred - credit |                                |                |  |                            | (367)                    |
| 923     | Outside services employed                   | 35                             | 1,359          | 2,496                                      | 140                        | 4,187                    |
| 924     | Property insurance                          | 4                              |                |  | 1                          | 2                        |
| 925     | Injuries and damages                        |                                |                |  |                            |                          |
| 926     | Employee pensions and benefits              |                                |                |  |                            |                          |
| 928     | Regulatory commission expense               |                                |                | 36   |                            |                          |
| 930.1   | General advertising expenses                |                                | 12,551         |  |                            |                          |
| 930.2   | Miscellaneous general expense               |                                |                | 1,203                                      | 112                        |                          |
| 931     | Rents                                       |                                | 7              |  | 145                        | 6,846                    |
| 932     | Maintenance of structures and equipment     |                                |                |  |                            | 1                        |
| 935     | Maintenance of general plant                |                                |                |  |                            |                          |
| 403     | Depreciation and amortization expense       |                                |                |  |                            |                          |
| 408     | Taxes other than income taxes               |                                |                |  |                            |                          |
| 409     | Income taxes                                |                                |                |  |                            |                          |
| 410     | Provision for deferred income taxes         |                                |                |  |                            |                          |
| 411     | Provision for deferred income taxes-credit  |                                |                |  |                            |                          |
| 411.5   | Investment tax credit                       |                                |                |  |                            |                          |
| 426.1   | Donations                                   |                                | 3,298          | 1  | 113                        |                          |
| 426.4   | Civic and Political Activities              |                                | 5              | 437  | 2,599                      |                          |
| 426.5   | Other deductions                            |                                | (13)           | 341  | 8                          |                          |
| 427     | Interest on long-term debt                  |                                |                |  |                            |                          |
| 430     | Interest on debt to associate companies     |                                |                |  |                            |                          |
| 431     | Other interest expense                      |                                |                |  |                            |                          |

|                |                   |                   |                   |                   |                   |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL EXPENSES | \$788             | \$ 22,307         | \$ 7,357          | \$ 4,540          | \$ 17,907         |
|                | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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 |              |                  |                 |                    |
|---------|---|--------------------------------|--------------|------------------|-----------------|--------------------|
|         |   | ADMINISTRATIVE SERVICES        | SUPPLY CHAIN | SPECIAL PROGRAMS | HUMAN RESOURCES | FINANCE & TREASURY |
| 920     | Salaries and wages                          | 132                            | 4,338        | 211              | 10,014          | 2,211              |
| 921     | Office supplies and expenses                | 2,541                          | 1,723        | 33               | 6,127           | 980                |
| 922     | Administrative expense transferred - credit |                                | (7,179)      | (368)            |                 |                    |
| 923     | Outside services employed                   | 676                            | 292          | 3,564            | 2,777           | 35                 |
| 924     | Property insurance                          |                                |              |                  | 6               | 1                  |
| 925     | Injuries and damages                        |                                |              |                  | 91              | 2,617              |
| 926     | Employee pensions and benefits              |                                |              |                  |                 |                    |
| 928     | Regulatory commission expense               |                                |              |                  |                 |                    |
| 930.1   | General advertising expenses                |                                |              |                  | 6               |                    |
| 930.2   | Miscellaneous general expense               |                                |              |                  | 1               |                    |
| 931     | Rents                                       | 372                            |              |                  | 15              | 18                 |
| 932     | Maintenance of structures and equipment     |                                |              |                  |                 |                    |
| 935     | Maintenance of general plant                |                                |              |                  |                 |                    |
| 403     | Depreciation and amortization expense       |                                |              |                  |                 |                    |
| 408     | Taxes other than income taxes               |                                |              |                  |                 |                    |
| 409     | Income taxes                                |                                |              |                  |                 |                    |
| 410     | Provision for deferred income taxes         |                                |              |                  |                 |                    |
| 411     | Provision for deferred income taxes-credit  |                                |              |                  |                 |                    |
| 411.5   | Investment tax credit                       |                                |              |                  |                 |                    |
| 426.1   | Donations                                   |                                |              |                  | 2               | 3                  |
| 426.4   | Civic and Political Activities              |                                |              |                  | 7               |                    |
| 426.5   | Other deductions                            |                                | 65           |                  | 229             |                    |
| 427     | Interest on long-term debt                  |                                |              |                  |                 |                    |
| 430     | Interest on debt to associate companies     |                                |              |                  |                 |                    |
| 431     | Other interest expense                      |                                |              |                  |                 |                    |

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|                |                   |                   |                   |                   |                   |
|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL EXPENSES | \$3,721           | \$ (761)          | \$ 3,440          | \$ 19,275         | \$ 5,865          |
|                | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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**

| ACCOUNT | DESCRIPTION OF ITEMS                        | BUSINESS        |                            |            |           |      |
|---------|---|-----------------|----------------------------|------------|-----------|------|
|         |   | ACCOUNTING UNIT |                            | PAYMENT    |           |      |
|         |   | FINANCIAL       | RPTG ACCOUNTING & RECEIPTS | AND        | REPORTING | ROLL |
|         |   | TAXES BUDGETING | AND                        | PROCESSING |           |      |
| 920     | Salaries and wages                          | 9,362           | 11,406                     | 893        | 628       | 545  |
| 921     | Office supplies and expenses                | 8,716           | 18,781                     | 266        | 179       | 504  |
| 922     | Administrative expense transferred - credit | (4)             |                            |            |           |      |
| 923     | Outside services employed                   | 10,377          | 4,742                      | 425        | 154       | 69   |
| 924     | Property insurance                          | 1               |                            |            |           |      |
| 925     | Injuries and damages                        |                 |                            |            |           |      |
| 926     | Employee pensions and benefits              |                 |                            |            |           |      |
| 928     | Regulatory commission expense               |                 |                            |            |           |      |
| 930.1   | General advertising expenses                |                 | 22                         |            |           |      |
| 930.2   | Miscellaneous general expense               | 11,166          |                            |            |           |      |
| 931     | Rents                                       | 12              | 1                          | 1          | 414       |      |
| 932     | Maintenance of structures and equipment     |                 |                            |            |           |      |
| 935     | Maintenance of general plant                |                 |                            |            |           |      |
| 403     | Depreciation and amortization expense       |                 |                            |            |           |      |
| 408     | Taxes other than income taxes               | 14              |                            |            |           |      |
| 409     | Income taxes                                | (216)           |                            |            |           |      |
| 410     | Provision for deferred income taxes         | 451             |                            |            |           |      |
| 411     | Provision for deferred income taxes-credit  |                 |                            |            |           |      |
| 411.5   | Investment tax credit                       |                 |                            |            |           |      |
| 426.1   | Donations                                   |                 | 162                        |            |           |      |
| 426.4   | Civic and Political Activities              |                 | 56                         |            |           |      |
| 426.5   | Other deductions                            | 21,855          | 176                        |            |           | 4    |
| 427     | Interest on long-term debt                  |                 |                            |            |           |      |
| 430     | Interest on debt to associate companies     | 1,635           |                            |            |           |      |
| 431     | Other interest expense                      | (597)           |                            |            |           |      |

|                |                 |                  |                 |                 |                 |
|----------------|-----------------|------------------|-----------------|-----------------|-----------------|
| TOTAL EXPENSES | <u>\$62,772</u> | <u>\$ 35,346</u> | <u>\$ 1,585</u> | <u>\$ 1,375</u> | <u>\$ 1,122</u> |
|----------------|-----------------|------------------|-----------------|-----------------|-----------------|

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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 |                            |                              |  |
|---------|---|--------------------------------|----------------------------|------------------------------|--|
|         |   | REGULATORY                     | ENVIRONMENTAL              | RESOURCES                    | MARKETING  |
|         |   | ENERGY<br>RATES<br>&           | ENERGY<br>ENGINEERING<br>& | ENERGY<br>SUPPLY<br>BUSINESS | ENERGY<br>MARKETS<br>REGULATED<br>TRADING<br>AND |
| 920     | Salaries and wages                          | 5,069                          | 4,637                      | 10,077                       | 10,122   |
| 921     | Office supplies and expenses                | 1,050                          | 1,523                      | 5,914                        | 2,151  |
| 922     | Administrative expense transferred - credit |                                |                            |                              |  |
| 923     | Outside services employed                   | 337                            | 2,713                      | 1,550                        | 833  |
| 924     | Property insurance                          | 1                              | 6                          | 8                            | 1  |
| 925     | Injuries and damages                        |                                |                            |                              |  |
| 926     | Employee pensions and benefits              |                                |                            |                              |  |
| 928     | Regulatory commission expense               |                                |                            |                              |  |
| 930.1   | General advertising expenses                | (13)                           |                            |                              |  |
| 930.2   | Miscellaneous general expense               |                                | 145                        |                              | 20   |
| 931     | Rents                                       | 28                             | 2                          | 33                           | 74   |
| 932     | Maintenance of structures and equipment     |                                |                            |                              |  |
| 935     | Maintenance of general plant                |                                |                            |                              |  |
| 403     | Depreciation and amortization expense       |                                |                            |                              |  |
| 408     | Taxes other than income taxes               |                                |                            |                              |  |
| 409     | Income taxes                                |                                |                            |                              |  |
| 410     | Provision for deferred income taxes         |                                |                            |                              |  |
| 411     | Provision for deferred income taxes-credit  |                                |                            |                              |  |
| 411.5   | Investment tax credit                       |                                |                            |                              |  |
| 426.1   | Donations                                   |                                | 1                          |                              | 5  |
| 426.4   | Civic and Political Activities              |                                |                            |                              |  |
| 426.5   | Other deductions                            |                                |                            |                              |  |
| 427     | Interest on long-term debt                  |                                |                            |                              |  |
| 430     | Interest on debt to associate companies     |                                |                            |                              |  |
| 431     | Other interest expense                      |                                |                            |                              |  |

|                |                |                 |                  |                  |
|----------------|----------------|-----------------|------------------|------------------|
| TOTAL EXPENSES | <u>\$6,472</u> | <u>\$ 9,027</u> | <u>\$ 17,582</u> | <u>\$ 13,206</u> |
|----------------|----------------|-----------------|------------------|------------------|

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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           |                                 |   |  |
|---------|---|--|---------------------------------|---|--|
|         |   | ENERGY<br>MARKETS<br>FUEL<br>PROCUREMENT | ENERGY<br>DELIVERY<br>MARKETING | ENERGY<br>DELIVERY<br>CONSTRUCTION<br>& MTCE<br>OPERATION | ENERGY<br>DELIVERY<br>ENGINEERING/<br>DESIGN |
| 920     | Salaries and wages                          | 2,998                                    | 1,028                           | 12,573  | 19,937                                       |
| 921     | Office supplies and expenses                | 657                                      | 388                             | 7,463   | 20,710                                       |
| 922     | Administrative expense transferred - credit |  |                                 |   |  |
| 923     | Outside services employed                   | 56                                       | 166                             | 3,618   | 23,964                                       |
| 924     | Property insurance                          | 1  |                                 | 7   | 9  |
| 925     | Injuries and damages                        |  |                                 |   |  |
| 926     | Employee pensions and benefits              |  |                                 |   |  |
| 928     | Regulatory commission expense               |  |                                 | (41)  |  |
| 930.1   | General advertising expenses                |  |                                 |   | 15   |
| 930.2   | Miscellaneous general expense               | 12                                       |                                 |   |  |
| 931     | Rents                                       | 7  | 1                               | 18  | 795  |
| 932     | Maintenance of structures and equipment     |  |                                 |   |  |
| 935     | Maintenance of general plant                |  |                                 |   |  |
| 403     | Depreciation and amortization expense       |  |                                 |   |  |
| 408     | Taxes other than income taxes               |  |                                 |   |  |
| 409     | Income taxes                                |  |                                 |   |  |
| 410     | Provision for deferred income taxes         |  |                                 |   |  |
| 411     | Provision for deferred income taxes-credit  |  |                                 |   |  |
| 411.5   | Investment tax credit                       |  |                                 |   |  |
| 426.1   | Donations                                   |  | 1                               |   |  |
| 426.4   | Civic and Political Activities              |  |                                 |   |  |
| 426.5   | Other deductions                            |  |                                 |   | 1  |
| 427     | Interest on long-term debt                  |  |                                 |   |  |
| 430     | Interest on debt to associate companies     |  |                                 |   |  |
| 431     | Other interest expense                      |  |                                 |   |  |

|                |                |                 |                  |                  |
|----------------|----------------|-----------------|------------------|------------------|
| TOTAL EXPENSES | <u>\$3,731</u> | <u>\$ 1,584</u> | <u>\$ 23,638</u> | <u>\$ 65,431</u> |
|----------------|----------------|-----------------|------------------|------------------|

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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**

| ACCOUNT | DESCRIPTION OF ITEMS                        | DEPARTMENT OR SERVICE FUNCTION |                   |                        |                   |       |
|---------|---|--------------------------------|-------------------|------------------------|-------------------|-------|
|         |   | MARKETING AND SALES            | CUSTOMER SERVICES | INFORMATION TECHNOLOGY | AVIATION SERVICES | FLEET |
| 920     | Salaries and wages                          | 12,619                         | 28,146            | 6,488                  | 634               | 498   |
| 921     | Office supplies and expenses                | 4,067                          | 40,302            | 99,818                 | 5,018             | 253   |
| 922     | Administrative expense transferred - credit |                                |                   | (62)                   | (3,390)           |       |
| 923     | Outside services employed                   | 1,420                          | 3,353             | 18,608                 | 90                | 13    |
| 924     | Property insurance                          | 7                              | 14                |                        |                   | 1     |
| 925     | Injuries and damages                        |                                |                   |                        |                   |       |
| 926     | Employee pensions and benefits              |                                |                   |                        |                   |       |
| 928     | Regulatory commission expense               |                                |                   |                        |                   |       |
| 930.1   | General advertising expenses                | 486                            | 695               |                        |                   |       |
| 930.2   | Miscellaneous general expense               | 50                             |                   |                        |                   |       |
| 931     | Rents                                       | 11                             | 27                | 342                    |                   |       |
| 932     | Maintenance of structures and equipment     |                                |                   |                        |                   |       |
| 935     | Maintenance of general plant                |                                |                   |                        |                   |       |
| 403     | Depreciation and amortization expense       |                                |                   |                        |                   |       |
| 408     | Taxes other than income taxes               |                                |                   |                        |                   |       |
| 409     | Income taxes                                |                                |                   |                        |                   |       |
| 410     | Provision for deferred income taxes         |                                |                   |                        |                   |       |
| 411     | Provision for deferred income taxes-credit  |                                |                   |                        |                   |       |
| 411.5   | Investment tax credit                       |                                |                   |                        |                   |       |
| 426.1   | Donations                                   | 1                              |                   |                        |                   |       |
| 426.4   | Civic and Political Activities              |                                |                   |                        |                   |       |
| 426.5   | Other deductions                            | 216                            |                   |                        |                   |       |
| 427     | Interest on long-term debt                  |                                |                   |                        |                   |       |
| 430     | Interest on debt to associate companies     |                                |                   |                        |                   |       |
| 431     | Other interest expense                      |                                |                   |                        |                   |       |

|                |                 |                  |                   |                 |               |
|----------------|-----------------|------------------|-------------------|-----------------|---------------|
| TOTAL EXPENSES | <u>\$18,877</u> | <u>\$ 72,537</u> | <u>\$ 125,194</u> | <u>\$ 2,352</u> | <u>\$ 765</u> |
|----------------|-----------------|------------------|-------------------|-----------------|---------------|

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**DEPARTMENTAL ANALYSIS OF SALARIES ACCOUNT 920**  
(thousands of dollars)**DEPARTMENTAL SALARY EXPENSE  
INCLUDED IN AMOUNTS BILLED TO:**

| NAME OF DEPARTMENT<br>OR SERVICE FUNCTION       | TOTAL<br>AMOUNT | PARENT<br>COMPANY | OTHER<br>ASSOCIATES | NON-<br>ASSOCIATES | NUMBER<br>OF<br>PERSONNEL<br>END OF<br>YEAR |
|---|-----------------|-------------------|---------------------|--------------------|---|
|   |                 |                   |                     |                    |   |
| Executive Management Services                   | \$ 2,264        | \$ 84             | \$ 2,180            | \$                 | 10  |
| Internal Audit                                  | 1,723           | 50                | 1,673               |                    | 21  |
| Aviation Services                               | 847             |                   | 847                 |                    | 9   |
| Government Affairs                              | 1,206           | 24                | 1,182               |                    | 24  |
| Corporate and Employee Communications           | 3,402           | 64                | 3,338               |                    | 38  |
| Legal   | 4,695           | 119               | 4,576               |                    | 38  |
| Claims Services                                 | 826             |                   | 826                 |                    | 13  |
| Corporate Strategy and Business Development     | 2,360           | 117               | 2,243               |                    | 26  |
| Energy Supply Business Resources                | 13,270          |                   | 13,270              |                    | 134   |
| Energy Markets Regulated Trading &<br>Marketing | 13,387          |                   | 13,387              |                    | 120   |
| Energy Supply Engineering & Environmental       | 6,179           |                   | 6,179               |                    | 85  |
| Energy Markets Fuel Procurement                 | 3,144           |                   | 3,144               |                    | 35  |
| Information Technology                          | 8,776           | 124               | 8,652               |                    | 85  |
| Supply Chain                                    | 5,746           |                   | 5,746               |                    | 73  |
| Supply Chain Special Programs                   | 283             |                   | 283                 |                    | 25  |
| Investor Relations                              | 722             | 36                | 686                 |                    | 7   |
| Payment & Reporting                             | 1,195           |                   | 1,195               |                    | 22  |
| Human Resources                                 | 53,103          | 970               | 52,133              |                    | 207   |
| Payroll   | 733             |                   | 733                 |                    | 11  |
| Rates and Regulation                            | 6,798           |                   | 6,798               |                    | 71  |
| Accounting, Financial Reporting and Taxes       | 12,237          | 2,307             | 9,930               |                    | 136   |
| Energy Delivery Engineering/Design              | 26,398          |                   | 26,398              |                    | 368   |
| Energy Delivery Construction, Oper & Maint      | 16,645          |                   | 16,645              |                    | 121   |
| Fleet   | 668             |                   | 668                 |                    | 9   |
| Energy Delivery Marketing                       | 1,382           |                   | 1,382               |                    | 16  |
| Customer Service                                | 36,799          |                   | 36,799              |                    | 910   |
| Marketing and Sales                             | 17,187          |                   | 17,187              |                    | 229   |
| Facilities & Real Estate                        | 2,710           |                   | 2,710               |                    | 22  |
| Facilities Administrative Services              | 177             | 10                | 167                 |                    | 18  |

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|  |                   |                   |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Finance & Treasury                     | 2,960             | 131               | 2,829             |                   | 27                |
| Business Unit Accounting and Budgeting | 18,849            |                   | 18,849            |                   | 197               |
| Receipts Processing                    | 811               |                   | 811               |                   | 20                |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| TOTAL                                  | \$267,482         | \$ 4,036          | \$263,446         | \$                | 3,127*            |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

\*Includes temporary employees

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>FROM WHOM PURCHASED</b>           | <b>SERVICES PROVIDED</b> | <b>RELATIONSHIP</b><br><b>A =ASSOCIATED</b><br><b>NA =NONASSOCIATED</b> | <b>AMOUNT</b> |
|--------------------------------------|--------------------------|---|---------------|
| Legal Services                       |                          |   |               |
| American Arbitration Association     | Legal Services           | NA  | \$ 61         |
| Briggs & Morgan                      | Legal Services           | NA  | 540           |
| Denton Wilde & Sapte                 | Legal Services           | NA  | 78            |
| Dorsey & Whitney, LLP                | Legal Services           | NA  | 157           |
| Ducker Montgomery & Lewis PC         | Legal Services           | NA  | 28            |
| Elzi Pringle & Gurr                  | Legal Services           | NA  | 26            |
| Gorsuch Kirgis LLC                   | Legal Services           | NA  | 84            |
| Gray, Plant, Mooty, Mooty            | Legal Services           | NA  | 76            |
| Hinkle, Hensley, Shanor & Martin     | Legal Services           | NA  | 182           |
| Holland & Hart, LLP                  | Legal Services           | NA  | 87            |
| Hunton & Williams                    | Legal Services           | NA  | 30            |
| Jones, Day, Reavis & Pougé           | Legal Services           | NA  | 1,336         |
| Kamlet, Shepherd & Reichert          | Legal Services           | NA  | 29            |
| Marval & O Farrell                   | Legal Services           | NA  | 225           |
| McDermott, Will & Emery              | Legal Services           | NA  | 384           |
| Merchant & Gould PC                  | Legal Services           | NA  | 27            |
| Meyer, Suozzi, English & Klein       | Legal Services           | NA  | 57            |
| Michael, Best & Friedrich            | Legal Services           | NA  | 27            |
| Rider, Bennett, Egan & Arundel       | Legal Services           | NA  | 48            |
| Skadden, Arps, Slate, Meagher & Flom | Legal Services           | NA  | 163           |
| Susan Ahlfs                          | Legal Services           | NA  | 27            |
| Thompson, Hine & Flory, LLP          | Legal Services           | NA  | 66            |
| White & Steele                       | Legal Services           | NA  | 28            |
| Winston & Strawn                     | Legal Services           | NA  | 89            |
| Other (70)                           | Various                  |   | 127           |
|                                      |                          |   | <hr/>         |
|                                      | Total Legal Services     |   | 3,983         |
|                                      |                          |   | <hr/>         |

Auditing, Tax, Consulting and  
Accounting Services

|                          |   |    |       |
|--------------------------|---|----|-------|
| Deloitte & Touche LLP    | Auditing, Tax and Other Services                      | NA | 3,124 |
| Price Waterhouse Coopers | Auditing, Tax and Other Services                      | NA | 351   |
| KPMG LLP                 | Auditing, Tax and Other Services                      | NA | 26    |
| Jefferson Wells          | Auditing, Tax and Other Services                      | NA | 630   |
|                          |   |    | <hr/> |
|                          | Total Auditing, Tax, Consulting<br>and Other Services |    | 4,131 |
|                          |   |    | <hr/> |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>FROM WHOM PURCHASED</b>         | <b>SERVICES PROVIDED</b>    | <b>RELATIONSHIP</b><br><b>A =ASSOCIATED</b><br><b>NA =NONASSOCIATED</b> | <b>AMOUNT</b> |
|------------------------------------|-----------------------------|---|---------------|
| Consulting/Outside Services        |                             |   |               |
| AA American Moving & Storage       | Consulting/Outside Services | NA  | 36            |
| Accountemps Inc.                   | Consulting/Outside Services | NA  | 233           |
| ACEEE                              | Consulting/Outside Services | NA  | 47            |
| Ackerman Construction              | Consulting/Outside Services | NA  | 83            |
| Acme \$ of Ormond Beach, Inc.      | Consulting/Outside Services | NA  | 343           |
| Addison Construction Company       | Consulting/Outside Services | NA  | 196           |
| Adecco Employment Service          | Consulting/Outside Services | NA  | 1,919         |
| Advecta                            | Consulting/Outside Services | NA  | 203           |
| Air Pollution Testing Inc.         | Consulting/Outside Services | NA  | 43            |
| Ajilon Finance                     | Consulting/Outside Services | NA  | 101           |
| AKW Consultants Inc.               | Consulting/Outside Services | NA  | 72            |
| Alan W. Burgess M.D.               | Consulting/Outside Services | NA  | 44            |
| Alice L. Evans                     | Consulting/Outside Services | NA  | 50            |
| Allied Utility Network             | Consulting/Outside Services | NA  | 32            |
| American Engineering Testing       | Consulting/Outside Services | NA  | 53            |
| Analysts International Corporation | Consulting/Outside Services | NA  | 152           |
| Arrow J Landscape & Design Inc.    | Consulting/Outside Services | NA  | 90            |
| Aspen Commercial Security Inc.     | Consulting/Outside Services | NA  | 44            |
| AT&T                               | Consulting/Outside Services | NA  | 35            |
| Atlas Corporation Services         | Consulting/Outside Services | NA  | 37            |
| Auromira Worldwide LLC             | Consulting/Outside Services | NA  | 27            |
| Austin-Tetra                       | Consulting/Outside Services | NA  | 40            |
| AVI Systems                        | Consulting/Outside Services | NA  | 37            |
| BC Services Inc.                   | Consulting/Outside Services | NA  | 82            |
| Bearing Point                      | Consulting/Outside Services | NA  | 1,104         |
| Behrent Engineering Company        | Consulting/Outside Services | NA  | 49            |
| Benco Messenger Service, Inc.      | Consulting/Outside Services | NA  | 31            |
| Bentley Systems                    | Consulting/Outside Services | NA  | 63            |
| Bill Magrogan                      | Consulting/Outside Services | NA  | 146           |

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|   |                             |    |       |
|---|-----------------------------|----|-------|
| Black & Veatch, Engineering-Architectural | Consulting/Outside Services | NA | 599   |
| Black Diamond                             | Consulting/Outside Services | NA | 152   |
| Bluefire Partners                         | Consulting/Outside Services | NA | 40    |
| Bold Technologies LTD                     | Consulting/Outside Services | NA | 35    |
| Bowne of Minnesota                        | Consulting/Outside Services | NA | 114   |
| Braun Construction Inc.                   | Consulting/Outside Services | NA | 37    |
| Brink Electrical Construction             | Consulting/Outside Services | NA | 1,190 |
| Brubaker & Associates Inc.                | Consulting/Outside Services | NA | 45    |
| Burns & McDonnell, Inc.                   | Consulting/Outside Services | NA | 70    |
| Business Wire Corp.                       | Consulting/Outside Services | NA | 83    |
| C. I. Technologies                        | Consulting/Outside Services | NA | 34    |
| Caminus Corporation                       | Consulting/Outside Services | NA | 343   |
| Campbell Services, Inc.                   | Consulting/Outside Services | NA | 114   |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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     | AMOUNT |
|   |                             | NA =NONASSOCIATED |        |
| Carlson School of Management                  | Consulting/Outside Services | NA                | 249    |
| Cedar Corporation                             | Consulting/Outside Services | NA                | 26     |
| CES International Inc.                        | Consulting/Outside Services | NA                | 855    |
| Charan Associates, Inc.                       | Consulting/Outside Services | NA                | 99     |
| Charles River Associates Inc.                 | Consulting/Outside Services | NA                | 73     |
| Christina C. Forbes ESQ                       | Consulting/Outside Services | NA                | 49     |
| Cindy S. Royster                              | Consulting/Outside Services | NA                | 112    |
| Citigate Financial Intelligence               | Consulting/Outside Services | NA                | 72     |
| Clean Harbor Environmental Service            | Consulting/Outside Services | NA                | 32     |
| Collins Electrical Construction Co.           | Consulting/Outside Services | NA                | 263    |
| Colorado Dept. of Public Health & Environment | Consulting/Outside Services | NA                | 95     |
| Commonwealth Associates, Inc.                 | Consulting/Outside Services | NA                | 171    |
| Compucom Systems, Inc.                        | Consulting/Outside Services | NA                | 91     |
| Compuware Corporation                         | Consulting/Outside Services | NA                | 141    |
| Comquest Research LLC                         | Consulting/Outside Services | NA                | 37     |
| Comtec, Inc.                                  | Consulting/Outside Services | NA                | 38     |
| Concur Technologies Inc.                      | Consulting/Outside Services | NA                | 66     |
| Connect the Knowledge Network                 | Consulting/Outside Services | NA                | 178    |
| Contract Engineering Services Inc.            | Consulting/Outside Services | NA                | 72     |
| Cook-Hurlbert Inc.                            | Consulting/Outside Services | NA                | 296    |
| Core Integration Partners Inc.                | Consulting/Outside Services | NA                | 634    |
| Credit Suisse First Boston                    | Consulting/Outside Services | NA                | 66     |
| Curtis 1000                                   | Consulting/Outside Services | NA                | 27     |
| Custom Compliance Solutions                   | Consulting/Outside Services | NA                | 59     |
| Custom Environmental Services                 | Consulting/Outside Services | NA                | 26     |
| CYMBAL Corporation                            | Consulting/Outside Services | NA                | 40     |
| David Wethington                              | Consulting/Outside Services | NA                | 40     |
| DDI Consulting Inc.                           | Consulting/Outside Services | NA                | 64     |
| Dees Consultancy, Inc.                        | Consulting/Outside Services | NA                | 70     |

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|                                |                             |    |       |
|--------------------------------|-----------------------------|----|-------|
| Dennhardt & Associates         | Consulting/Outside Services | NA | 36    |
| Distributed Office Environment | Consulting/Outside Services | NA | 68    |
| Dolphin Software Inc.          | Consulting/Outside Services | NA | 35    |
| Dominion Construction Co.      | Consulting/Outside Services | NA | 1,288 |
| Donovan Construction Inc.      | Consulting/Outside Services | NA | 275   |
| Douglas Brandon                | Consulting/Outside Services | NA | 25    |
| DST Output, Inc.               | Consulting/Outside Services | NA | 325   |
| e prime, inc.                  | Consulting/Outside Services | A  | 129   |
| Edison Electric Institute      | Consulting/Outside Services | NA | 50    |
| EDM International Inc.         | Consulting/Outside Services | NA | 50    |
| Efficiency Engineering, Inc.   | Consulting/Outside Services | NA | 38    |
| Eide Bailly LLP                | Consulting/Outside Services | NA | 96    |
| ELCO Industries LTD            | Consulting/Outside Services | NA | 895   |
| Eloquor Consulting, Inc.       | Consulting/Outside Services | NA | 66    |
| Emergency Outfitters Inc.      | Consulting/Outside Services | NA | 27    |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**OUTSIDE SERVICES EMPLOYED ACCOUNT 923**

(thousands of dollars)

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|---|-----------------------------|---|---------------|
| Emmanuel B. Hangar                      | Consulting/Outside Services | NA  | 40            |
| Employee/Management Involvement Concept | Consulting/Outside Services | NA  | 60            |
| Engineering Computer                    | Consulting/Outside Services | NA  | 36            |
| Entegee                                 | Consulting/Outside Services | NA  | 1,618         |
| Entergy Services, Inc.                  | Consulting/Outside Services | NA  | 69            |
| Enterprise Services Corporation         | Consulting/Outside Services | NA  | 121           |
| Envision Consulting                     | Consulting/Outside Services | NA  | 29            |
| EPRI                                    | Consulting/Outside Services | NA  | 317           |
| Equifax Credit Information Services     | Consulting/Outside Services | NA  | 67            |
| Eric Hirst                              | Consulting/Outside Services | NA  | 52            |
| Eurasia Business Services               | Consulting/Outside Services | NA  | 363           |
| Evergreen Caissons, Inc.                | Consulting/Outside Services | NA  | 393           |
| Express Personnel Services              | Consulting/Outside Services | NA  | 59            |
| First Revenue Assurance                 | Consulting/Outside Services | NA  | 62            |
| Freelance Creative                      | Consulting/Outside Services | NA  | 296           |
| Gantz Wiley Research                    | Consulting/Outside Services | NA  | 41            |
| Gartner Group                           | Consulting/Outside Services | NA  | 30            |
| GBSM Professional Services              | Consulting/Outside Services | NA  | 100           |
| GCI Tunheim                             | Consulting/Outside Services | NA  | 45            |
| GE Energy Management Service            | Consulting/Outside Services | NA  | 169           |
| General Physics Corporation             | Consulting/Outside Services | NA  | 113           |
| Gold Metal Support                      | Consulting/Outside Services | NA  | 26            |
| Golder Associates Inc.                  | Consulting/Outside Services | NA  | 40            |
| Goldman Sachs & Company                 | Consulting/Outside Services | NA  | 510           |
| Gradstaff, Inc.                         | Consulting/Outside Services | NA  | 48            |
| Gunther Douglas, Inc.                   | Consulting/Outside Services | NA  | 1,102         |
| H. Zinder & Associates, Inc.            | Consulting/Outside Services | NA  | 31            |
| Hay Group Inc.                          | Consulting/Outside Services | NA  | 59            |
| Hayes Consulting Company, LLC           | Consulting/Outside Services | NA  | 29            |
| HDR Engineering Inc.                    | Consulting/Outside Services | NA  | 151           |

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|                                   |                             |    |        |
|-----------------------------------|-----------------------------|----|--------|
| Health Promotion Management, Inc. | Consulting/Outside Services | NA | 322    |
| Heidrick & Struggles Inc.         | Consulting/Outside Services | NA | 171    |
| Henwood Energy Service Inc.       | Consulting/Outside Services | NA | 92     |
| Hewlett Packard                   | Consulting/Outside Services | NA | 122    |
| Hind Sight 20/20 Inc.             | Consulting/Outside Services | NA | 292    |
| Hinz Automation Inc.              | Consulting/Outside Services | NA | 262    |
| Hitachi Consulting                | Consulting/Outside Services | NA | 99     |
| Holliday Enterprises Inc.         | Consulting/Outside Services | NA | 169    |
| Holly D. Neel                     | Consulting/Outside Services | NA | 71     |
| IBM                               | Consulting/Outside Services | NA | 13,537 |
| ICITE                             | Consulting/Outside Services | NA | 29     |
| Independent Software Quality      | Consulting/Outside Services | NA | 29     |
| Indicon                           | Consulting/Outside Services | NA | 161    |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>FROM WHOM PURCHASED</b>      | <b>SERVICES PROVIDED</b>    | <b>RELATIONSHIP</b><br>A =ASSOCIATED<br>NA =NONASSOCIATED | <b>AMOUNT</b> |
|---------------------------------|-----------------------------|---|---------------|
| Indus International             | Consulting/Outside Services | NA  | 317           |
| Itasca Group                    | Consulting/Outside Services | NA  | 27            |
| Itron Inc.                      | Consulting/Outside Services | NA  | 666           |
| Jeane Thorne Inc.               | Consulting/Outside Services | NA  | 771           |
| Jimmie Horner                   | Consulting/Outside Services | NA  | 48            |
| JMT Financial Partners LLC      | Consulting/Outside Services | NA  | 151           |
| John H. Davis III               | Consulting/Outside Services | NA  | 27            |
| Joseph Frangipane               | Consulting/Outside Services | NA  | 36            |
| Juran Institute Inc.            | Consulting/Outside Services | NA  | 40            |
| KVB Enertec                     | Consulting/Outside Services | NA  | 106           |
| K.R. Swerdfeger Construction    | Consulting/Outside Services | NA  | 35            |
| Keltoi Consulting LLC           | Consulting/Outside Services | NA  | 94            |
| Kforce Inc.                     | Consulting/Outside Services | NA  | 30            |
| Kim Michael Staudt              | Consulting/Outside Services | NA  | 141           |
| Kintana, Inc.                   | Consulting/Outside Services | NA  | 461           |
| Kris L. Brown                   | Consulting/Outside Services | NA  | 89            |
| L & M Mail Service Inc.         | Consulting/Outside Services | NA  | 60            |
| Lamber Macgillthomas, Inc.      | Consulting/Outside Services | NA  | 28            |
| Leo Tinoco                      | Consulting/Outside Services | NA  | 143           |
| Liaison Creative Services       | Consulting/Outside Services | NA  | 125           |
| Lindberg Consulting             | Consulting/Outside Services | NA  | 47            |
| Lucidity Consulting Group       | Consulting/Outside Services | NA  | 3,562         |
| Lynn Bileti                     | Consulting/Outside Services | NA  | 139           |
| Manitoba Hydro                  | Consulting/Outside Services | NA  | 33            |
| Manpower Temporary Services     | Consulting/Outside Services | NA  | 469           |
| Market Strategies, Inc.         | Consulting/Outside Services | NA  | 219           |
| Marsh USA Inc.                  | Consulting/Outside Services | NA  | 190           |
| Mary E. Miura                   | Consulting/Outside Services | NA  | 124           |
| Master Electric Inc.            | Consulting/Outside Services | NA  | 53            |
| Master Lee Energy Services Inc. | Consulting/Outside Services | NA  | 105           |

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|                                 |                             |    |     |
|---------------------------------|-----------------------------|----|-----|
| Mclagen International Inc.      | Consulting/Outside Services | NA | 49  |
| MDA Consulting Group Inc.       | Consulting/Outside Services | NA | 74  |
| Mears/HDD LLC                   | Consulting/Outside Services | NA | 377 |
| Media Mosaic                    | Consulting/Outside Services | NA | 65  |
| Mercury Interactive Corporation | Consulting/Outside Services | NA | 768 |
| Meridium Inc.                   | Consulting/Outside Services | NA | 30  |
| Merrick & Company               | Consulting/Outside Services | NA | 688 |
| Midwest Inspection Services     | Consulting/Outside Services | NA | 26  |
| Mile High Properties, LLC       | Consulting/Outside Services | NA | 154 |
| Minneapolis Consulting Group    | Consulting/Outside Services | NA | 106 |
| Monique Lovato                  | Consulting/Outside Services | NA | 84  |
| MTR Resources Inc.              | Consulting/Outside Services | NA | 29  |
| Munchiando Excavating           | Consulting/Outside Services | NA | 65  |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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<br>NA =NONASSOCIATED | AMOUNT |
| National Strategies Inc.                | Consulting/Outside Services | NA                                 | 63     |
| New Boston Systems                      | Consulting/Outside Services | NA                                 | 36     |
| New Energy Associates LLC               | Consulting/Outside Services | NA                                 | 44     |
| New Harbor, Inc.                        | Consulting/Outside Services | NA                                 | 55     |
| New York Stock Exchange, Inc.           | Consulting/Outside Services | NA                                 | 377    |
| Nisoft LLC                              | Consulting/Outside Services | NA                                 | 128    |
| Northwestern Travel Agency              | Consulting/Outside Services | NA                                 | 61     |
| Occupational Medicine                   | Consulting/Outside Services | NA                                 | 50     |
| Office Information Systems Inc.         | Consulting/Outside Services | NA                                 | 278    |
| Office Team                             | Consulting/Outside Services | NA                                 | 45     |
| Opus 21 Management Solutions            | Consulting/Outside Services | NA                                 | 693    |
| Oracular of Minnesota                   | Consulting/Outside Services | NA                                 | 485    |
| Osmose Inc.                             | Consulting/Outside Services | NA                                 | 32     |
| PA Consulting Group                     | Consulting/Outside Services | NA                                 | 130    |
| Pacioli Companies                       | Consulting/Outside Services | NA                                 | 36     |
| Par Consulting Inc.                     | Consulting/Outside Services | NA                                 | 58     |
| Par Electrical Contractors              | Consulting/Outside Services | NA                                 | 282    |
| Percite Information Technology          | Consulting/Outside Services | NA                                 | 83     |
| Personnel Decisions International Corp. | Consulting/Outside Services | NA                                 | 76     |
| Pettigrew & Associates                  | Consulting/Outside Services | NA                                 | 142    |
| PIRA Energy Group                       | Consulting/Outside Services | NA                                 | 139    |
| Power Delivery Consultants Inc.         | Consulting/Outside Services | NA                                 | 67     |
| Power Technologies, Inc.                | Consulting/Outside Services | NA                                 | 312    |
| Powerhouse Rigging                      | Consulting/Outside Services | NA                                 | 118    |
| Powerplant Consultants                  | Consulting/Outside Services | NA                                 | 363    |
| Powerplus Engineering LLC               | Consulting/Outside Services | NA                                 | 72     |
| Powerworld Corporation                  | Consulting/Outside Services | NA                                 | 35     |
| Precision Resource Co.                  | Consulting/Outside Services | A                                  | 453    |
| Primen s Energy                         | Consulting/Outside Services | NA                                 | 76     |
| Profile Marketing Research              | Consulting/Outside Services | NA                                 | 33     |

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|                                   |                             |    |     |
|-----------------------------------|-----------------------------|----|-----|
| Pro Staff Personnel Services      | Consulting/Outside Services | NA | 203 |
| Quantum Consulting & Placement    | Consulting/Outside Services | NA | 56  |
| RJ Services, Inc.                 | Consulting/Outside Services | NA | 102 |
| RA Waffensmith & Company Inc.     | Consulting/Outside Services | NA | 143 |
| Raptor Resource Project           | Consulting/Outside Services | NA | 50  |
| Rellek Dev., Inc.                 | Consulting/Outside Services | NA | 112 |
| Rescue Consulting LLC             | Consulting/Outside Services | NA | 44  |
| Resources Connection, Inc.        | Consulting/Outside Services | NA | 355 |
| Retec Group Inc.                  | Consulting/Outside Services | NA | 57  |
| Revenew International Inc.        | Consulting/Outside Services | NA | 604 |
| Rick Souther                      | Consulting/Outside Services | NA | 56  |
| Right Management Consulting, Inc. | Consulting/Outside Services | NA | 614 |
| Ritz Carlton Naples               | Consulting/Outside Services | NA | 33  |
| RM Software, Inc.                 | Consulting/Outside Services | NA | 360 |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>FROM WHOM PURCHASED</b>       | <b>SERVICES PROVIDED</b>    | <b>RELATIONSHIP</b><br>A =ASSOCIATED<br>NA =NONASSOCIATED | <b>AMOUNT</b> |
|----------------------------------|-----------------------------|---|---------------|
| Robert Half                      | Consulting/Outside Services | NA  | 259           |
| Robert Reents                    | Consulting/Outside Services | NA  | 114           |
| Robins, Kaplan, Miller & Ciresi  | Consulting/Outside Services | NA  | 703           |
| RSM Enterprises                  | Consulting/Outside Services | NA  | 64            |
| Russell Reynolds Associates Inc. | Consulting/Outside Services | NA  | 99            |
| S G S Statistical Services LLC   | Consulting/Outside Services | NA  | 53            |
| Security Solutions, LLC          | Consulting/Outside Services | NA  | 143           |
| Sedway Consulting, Inc.          | Consulting/Outside Services | NA  | 44            |
| Seever Courier Service           | Consulting/Outside Services | NA  | 41            |
| Shared Resource Management       | Consulting/Outside Services | NA  | 189           |
| Shareholder.Com                  | Consulting/Outside Services | NA  | 47            |
| Shaw Power Technologies Inc.     | Consulting/Outside Services | NA  | 131           |
| Siemens Power T&D, Inc.          | Consulting/Outside Services | NA  | 8,337         |
| Silicon Energy Corporation       | Consulting/Outside Services | NA  | 920           |
| Sitrick & Company Inc.           | Consulting/Outside Services | NA  | 51            |
| Space Plan LLC                   | Consulting/Outside Services | NA  | 44            |
| SSR Engineering Inc.             | Consulting/Outside Services | NA  | 162           |
| Stone & Webster Inc.             | Consulting/Outside Services | NA  | 50            |
| Sungard Energy Systems, Inc.     | Consulting/Outside Services | NA  | 503           |
| Synergetic Design Inc.           | Consulting/Outside Services | NA  | 1,336         |
| Synova, Inc.                     | Consulting/Outside Services | NA  | 168           |
| Technology Resource Group, Inc.  | Consulting/Outside Services | NA  | 183           |
| Techreation                      | Consulting/Outside Services | NA  | 33            |
| TekSystems, Inc.                 | Consulting/Outside Services | NA  | 249           |
| The Affiliates                   | Consulting/Outside Services | NA  | 48            |
| The Blackstone Group LP          | Consulting/Outside Services | NA  | 804           |
| The Condor Group                 | Consulting/Outside Services | NA  | 48            |
| The Marathon Group               | Consulting/Outside Services | NA  | 51            |
| The Maris Group                  | Consulting/Outside Services | NA  | 288           |
| The Mosaic Company               | Consulting/Outside Services | NA  | 218           |

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|                                   |                             |    |       |
|-----------------------------------|-----------------------------|----|-------|
| The Weitz Company LLC             | Consulting/Outside Services | NA | 390   |
| Theobald & Associates             | Consulting/Outside Services | NA | 29    |
| Thomson Financial Corporation     | Consulting/Outside Services | NA | 31    |
| Top Echelon Contracting, Inc.     | Consulting/Outside Services | NA | 33    |
| Towers Perrin                     | Consulting/Outside Services | NA | 226   |
| TQS Research Inc.                 | Consulting/Outside Services | NA | 43    |
| Trainor Construction Company Inc. | Consulting/Outside Services | NA | 576   |
| Trans Alarm                       | Consulting/Outside Services | NA | 2,914 |
| Transformer Disposal              | Consulting/Outside Services | NA | 53    |
| Tru-check Inc.                    | Consulting/Outside Services | NA | 91    |
| Trudy Alice Marshall              | Consulting/Outside Services | NA | 31    |
| Tunheim Partners                  | Consulting/Outside Services | NA | 162   |
| Two Degrees                       | Consulting/Outside Services | NA | 127   |
| Ulteig Engineers, Inc.            | Consulting/Outside Services | NA | 632   |
| United Business Mail              | Consulting/Outside Services | NA | 210   |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>FROM WHOM PURCHASED</b>      | <b>SERVICES PROVIDED</b>                          | <b>RELATIONSHIP</b><br><b>A =ASSOCIATED</b><br><b>NA =NONASSOCIATED</b> | <b>AMOUNT</b>          |
|---------------------------------|---|---|------------------------|
| UP Tempo Consulting             | Consulting/Outside Services                       | NA  | 110                    |
| Utilities International, Inc.   | Consulting/Outside Services                       | NA  | 5,544                  |
| Utility Engineering             | Consulting/Outside Services                       | A   | 1,663                  |
| Virginia A. Varga               | Consulting/Outside Services                       | NA  | 42                     |
| Virtual Enterprises Inc.        | Consulting/Outside Services                       | NA  | 182                    |
| Wackenhut                       | Consulting/Outside Services                       | NA  | 371                    |
| Waltco, Inc.                    | Consulting/Outside Services                       | NA  | 61                     |
| Ware Consulting LLC             | Consulting/Outside Services                       | NA  | 129                    |
| Warehouse Intellect             | Consulting/Outside Services                       | NA  | 34                     |
| Waste Management                | Consulting/Outside Services                       | NA  | 170                    |
| Waukesha Electric Systems, Inc. | Consulting/Outside Services                       | NA  | 210                    |
| Weatherdata, Inc.               | Consulting/Outside Services                       | NA  | 30                     |
| Weather Eye Inc.                | Consulting/Outside Services                       | NA  | 33                     |
| Wenck Associates, Inc.          | Consulting/Outside Services                       | NA  | 53                     |
| Zechman & Associates            | Consulting/Outside Services                       | NA  | 255                    |
| Other (841)                     | Various   | NA  | 1,325                  |
|                                 | Total Consulting/Outside Services                 |   | <u>86,731</u>          |
|                                 | <b>TOTAL CONSULTING/OUTSIDE SERVICES EMPLOYED</b> |   | <u><b>\$94,845</b></u> |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>DESCRIPTION</b>                     | <b>AMOUNT</b>    |
|--|------------------|
| Pensions                               | \$(18,001)       |
| Managed Health Care/Dental/Vision      | 21,273           |
| Employee Savings Plans (401K)          | 7,056            |
| Supplemental Executive Retirement Plan | 5,160            |
| Post Retirement Health Care            | 1,342            |
| Life Insurance                         | 3,325            |
| Post Employment Benefits               | (267)            |
| Long Term Disability                   | 552              |
| Other                                  | 1,581            |
|  | <hr/>            |
| <b>TOTAL</b>                           | <b>\$ 22,021</b> |
|  | <hr/>            |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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   |
|--------------------------------|---|----------|
| Ad Agency/Advertising/Printing | McClain Finlon Advertising Inc.         | \$ 7,662 |
| Advertising - Sponsorship      | St. Paul Facilities Management          | 2,194    |
| Advertising                    | Pepsi Center                            | 819      |
| Advertising - Sponsorship      | Minnesota Wild Hockey Club              | 665      |
| Printing                       | DST Output, Inc.                        | 562      |
| Advertising                    | Minnertainment Co.                      | 450      |
| Printing                       | Goldstein s                             | 156      |
| Printing                       | Hotchkiss, Inc.                         | 136      |
| Advertising                    | Nexus Energy Software, Inc.             | 133      |
| Advertising                    | Direct Marketing Solutions              | 83       |
| Advertising                    | Decision Analyst Inc.                   | 76       |
| Advertising                    | City of Minneapolis                     | 70       |
| Advertising                    | Minneapolis Downtown Council            | 70       |
| Advertising                    | Saint Paul Riverfront Corp.             | 63       |
| Advertising                    | Saint Paul Festival & Heritage          | 62       |
| Advertising                    | St. Paul Area Chamber of Commerce       | 60       |
| Advertising                    | Cactus Marketing Communications         | 55       |
| Advertising                    | Taste of Minnesota                      | 45       |
| Advertising                    | Texas Panhandle Heritage                | 40       |
| Advertising - Sponsorship      | Downtown Denver Partnership, Inc.       | 35       |
| Printing                       | Sprint Press                            | 27       |
| Advertising                    | Culture Inc.                            | 25       |
| Advertising                    | United States Postmaster                | 23       |
| Printing                       | Merit Printing                          | 22       |
| Advertising                    | Bolder Boulder                          | 18       |
| Advertising                    | Ambassador Press                        | 14       |
| Advertising                    | Greater Minneapolis Chamber of Commerce | 12       |
| Advertising                    | JFM Communications                      | 9        |
| Printing                       | DW Mail LLC                             | 8        |
| Advertising                    | United Hospital Foundation              | 8        |
| Advertising                    | MEDA                                    | 6        |
| Advertising                    | YWCA of Minneapolis                     | 6        |

|             |                                  |   |
|-------------|----------------------------------|---|
| Advertising | Ad Strategies                    | 5 |
| Advertising | Amherst H. Wilder Foundation     | 5 |
| Advertising | Casa De Esperanza                | 5 |
| Advertising | Como Zoo & Conservatory          | 5 |
| Advertising | Junior Achievement               | 5 |
| Advertising | Marketing Minneapolis LLC        | 5 |
| Advertising | Minnesota Orchestra              | 5 |
| Advertising | National Council of Jewish Women | 5 |

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>DESCRIPTION</b>        | <b>NAME OF PAYEE</b>                   | <b>AMOUNT</b>   |
|---------------------------|--|-----------------|
| Advertising               | The Childrens Theatre Co.              | 5               |
| Advertising               | Torah Academy                          | 5               |
| Advertising               | University of Minnesota                | 5               |
| Advertising - Sponsorship | Vail Place                             | 5               |
| Advertising               | Boys & Girls Club of the Twin Cities   | 4               |
| Advertising               | Capital City Partnership               | 4               |
| Advertising               | City of St Paul                        | 4               |
| Advertising               | Ordway Circle of Stars                 | 4               |
| Printing                  | Pyramid Print & Graphics               | 4               |
| Advertising               | Central Minnesota Community Foundation | 3               |
| Advertising               | Cray Academy                           | 3               |
| Advertising               | Home Builders Association              | 3               |
| Advertising               | Jeremiah Program                       | 3               |
| Advertising               | Minnesota Zoo                          | 3               |
| Miscellaneous Advertising | Various (94)                           | 58              |
|                           | <b>TOTAL</b>                           | <b>\$13,767</b> |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <u>DESCRIPTION</u>                  | <u>AMOUNT</u>     |
|-------------------------------------|-------------------|
| Utility Association Dues            | \$ 1,557          |
| Board of Director Fees and Expenses | 1,678             |
| Shared Asset Costs (1)              | 11,167            |
| Shareholder Relations Expenses      | 848               |
|                                     | <u>          </u> |
| TOTAL                               | \$15,250          |
|                                     | <u>          </u> |

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

**RENTS ACCOUNT 931**

(thousands of dollars)

INSTRUCTIONS: Provide a listing of the amount included in Account 931, Rents , classifying such expenses by major groupings of property, as defined in the account definition of the Uniform System of Accounts.

| <u>TYPE OF PROPERTY</u> | <u>AMOUNT</u>     |
|-------------------------|-------------------|
| Rents - Office Space    | \$9,169           |
|                         | <u>          </u> |
| TOTAL                   | \$9,169           |
|                         | <u>          </u> |



**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>KIND OF TAX</b>   | <b>AMOUNT</b> |
|--|---------------|
| <hr/>  |               |
| Other Than U.S. Government Taxes:                            |               |
| State Unemployment Taxes                                     | \$ 1,116      |
| Franchise Tax - Texas, Kansas, Delaware, Ohio and New Mexico | 13            |
| Denver Occupational Tax                                      | 35            |
| Other - various  | 1             |
|  | <hr/>         |
| SUBTOTAL   | 1,165         |
|  | <hr/>         |
| U.S. Government Taxes:                                       |               |
| Social Security and Medicare Taxes                           | 16,019        |
| Federal Unemployment Taxes                                   | 204           |
|  | <hr/>         |
| SUBTOTAL   | 16,224        |
|  | <hr/>         |
| TOTAL  | \$17,389      |
|  | <hr/>         |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**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.

| <b>NAME OF RECIPIENT</b>                     | <b>PURPOSE OF DONATION</b>                   | <b>AMOUNT</b> |
|--|--|---------------|
| American Ireland Fund                        | Contribution to support community assistance | \$ 8          |
| Beaux Arts                                   | Contribution to support community assistance | 5             |
| BJ Fund                                      | Contribution to support community assistance | 10            |
| Business Wears Inc.                          | Contribution to support community assistance | 7             |
| City of Arvada; Arvada Center                | Contribution to support community assistance | 3             |
| Colorado Business Hall of Fame               | Contribution to support community assistance | 5             |
| Denver Center for the Performing Arts        | Contribution to support community assistance | 6             |
| Denver Public Library                        | Contribution to support community assistance | 5             |
| Denver Public Schools Foundation             | Contribution to support community assistance | 10            |
| Friend of Arboretum Inc.                     | Contribution to support community assistance | 2             |
| Greater Pueblo Chamber of Commerce           | Contribution to support community assistance | 3             |
| Home Builders Association                    | Contribution to support community assistance | 10            |
| Milestone Growth Fund, Inc.                  | Contribution to support community assistance | 3             |
| Minnesota Chamber of Commerce                | Contribution to support community assistance | 4             |
| Minnesota State Society                      | Contribution to support community assistance | 4             |
| Options, Inc.                                | Contribution to support community assistance | 5             |
| The Pinnacle Club                            | Contribution to support community assistance | 3             |
| The Progress and Freedom Foundation          | Contribution to support community assistance | 10            |
| Rock the Vote Education Fund                 | Contribution to support community assistance | 10            |
| Salvation Army                               | Contribution to support community assistance | 3             |
| Samaritan Institute                          | Contribution to support community assistance | 3             |
| Shaka Franklin Foundation                    | Contribution to support community assistance | 3             |
| Southeast Business Partnership               | Contribution to support community assistance | 4             |
| University of Wisc. System Corp. Sponsorship | Contribution to support community assistance | 5             |
| Urban League of Metro Denver                 | Contribution to support community assistance | 5             |
| US Chamber of Commerce                       | Contribution to support community assistance | 140           |
| Volunteers of America                        | Contribution to support community assistance | 10            |
| Wisconsin Environmental Initiative           | Contribution to support community assistance | 5             |
| Wisconsin Public Utility Institute           | Contribution to support community assistance | 7             |
| Women's Vision Foundation                    | Contribution to support community assistance | 5             |
| Xcel Energy Foundation                       | Contribution to support community assistance | 2,719         |
| Youth of the Year                            | Contribution to support community assistance | 3             |
| Arthritis Foundation                         | Contribution to support health               | 3             |
| The Children's Hospital Foundation           | Contribution to support health               | 10            |

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|  |                                      |          |
|--|--------------------------------------|----------|
| Citizens Scholarship Foundation              | Contribution to support education    | 65       |
| Mizel Center for Arts & Culture              | Contribution to support education    | 5        |
| Colorado Energy Assistance Foundation (CEAF) | Contribution to support low income   | 500      |
| United Way                                   | Contribution to support United Way   | 7        |
| Boy Scouts of America                        | Contribution to support young people | 13       |
| Girl Scouts Mile Hi Council                  | Contribution to support young people | 6        |
| Junior Achievement                           | Contribution to support young people | 6        |
| Marketplace of Ideas-Marketplace for Kids    | Contribution to support young people | 10       |
| Other (152)                                  |                                      | 78       |
|  |                                      | <hr/>    |
|  | TOTAL                                | \$ 3,728 |
|  |                                      | <hr/>    |

**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**OTHER DEDUCTIONS ACCOUNT 426.4 and 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.

**Account 426.4, Expenditures for Certain Civic, Political & Related Activities**

| <b>DESCRIPTION</b>  | <b>NAME OF PAYEE</b> | <b>AMOUNT</b>  |
|---|----------------------|----------------|
| Federal Lobbying  | Various              | \$ 890         |
| State Lobbying  | Various              | 2,613          |
| Federal PAC   | Various              | 75             |
| Payments to political party, candidate for public office, committee, etc. |                      | —              |
|   | <b>TOTAL</b>         | <b>\$3,578</b> |

**Account 426.5 Other Deductions**

| <b>DESCRIPTION</b>  | <b>NAME OF PAYEE</b> | <b>AMOUNT</b>   |
|---|----------------------|-----------------|
| NRG Bankruptcy and Reorganization (billed to Holding Company)   | Various              | \$21,597        |
| Life Insurance Premiums for Corporate Officers and to fund non-qualified deferred compensation programs | Various              | 1,738           |
| Social Dues and Expenses  | Various              | 497             |
| Penalties or fines  | Various              | 34              |
|   | <b>TOTAL</b>         | <b>\$23,866</b> |

**ANNUAL REPORT OF XCEL ENERGY SERVICES, INC.**

For the Year Ended December 31, 2003

**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 426.4 - Starting January 2003, Account 426.4 is used for civic and political activities.

Account 431 - Credit balance due to cash surrender value for life insurance policies held for corporate officers and to fund non-qualified deferred compensation programs.

Account 922 - 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 14-14e for additional Notes to Statement of Income.

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**ANNUAL REPORT OF XCEL ENERGY SERVICES INC.**

For the Year Ended December 31, 2003

**ORGANIZATION CHART (SUMMARY LEVEL)**

| <b>ORGANIZATION CHART</b>                            | <b>SERVICE FUNCTION</b>                    |
|--|--|
| Chairman, CEO  | Executive Management Services              |
| Audit Services                                       | Internal Audit                             |
| Investor Relations                                   | Investor Relations                         |
| Financial Operations-Vice-President, CFO             | Accounting, Fin Reporting, Taxes           |
| Accounting   | Accounting, Fin Reporting, Taxes           |
| Finance and Treasury                                 | Finance and Treasury                       |
| General Counsel                                      | Legal                                      |
| Claims Services                                      | Claims Services                            |
| President, COO                                       | Corp Strategy & Business Development       |
| Business Systems - Vice-President, CIO               | Information Technology                     |
| Shared Services - Vice-President, CAO                | Executive Management Services              |
| Shared Services-Controller                           | Business Unit Acctg & Budgeting            |
| Human Resources                                      | Human Resources                            |
| Communications                                       | Corporate and Employee Communications      |
| Supply Chain   | Supply Chain and S. Chain Special Programs |
| Facilities and Real Estate                           | Facilities and Real Estate                 |
| Aviation   | Aviation                                   |
| Payroll  | Payroll                                    |
| Accounts Payable                                     | Payment & Reporting                        |
| Energy Supply - President                            | Business Unit Acctg & Budgeting            |
| Energy Supply Asset Management-Vice-President        | Business Unit Acctg & Budgeting            |
| Energy Supply Business Resources                     | Energy Supply Business Resources           |
| Energy Supply Engineering & Environmental            | Energy Supply Engineering & Environmental  |
| Customer & Field Operations - President              | Business Unit Acctg & Budgeting            |
| C&FO - Finance-Vice-President                        | Business Unit Acctg & Budgeting            |
| C&FO Engineering/Design                              | Energy Delivery Engineering/Design         |
| C&FO Construction, Oper. & Maint.                    | Energy Delivery Constr, Oper & Maint       |
| Fleet  | Fleet                                      |
| C&FO Marketing                                       | Energy Delivery Marketing                  |
| Marketing and Sales                                  | Marketing and Sales                        |
| Customer Service                                     | Customer Service                           |
| Receipts Processing                                  | Receipts Processing                        |
| Commercial Enterprises - President                   | Corp Strategy & Business Development       |
| Regulatory and Governmental Affairs - Vice-President | Rates and Regulation                       |
| Regulatory Administration                            | Rates and Regulation                       |
| Government Affairs                                   | Government Affairs                         |
| Regulated Trading & Marketing                        | Energy Mkts Reg Trading & Mktg             |
| Energy Markets Fuel Procurement                      | Energy Markets Fuel Procurement            |



**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 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.



**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 (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 REPORT OF XCEL ENERGY SERVICES INC.**

**ANNUAL STATEMENT OF COMPENSATION FOR USE OF CAPITAL BILLED**

For the Period Ended December 31, 2003

The following annual statement was supplied to each associate company in support of the amount of compensation for use of capital billed during 2003:

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 2003:

- 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.

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(Name of Reporting Company)

By: /s/ Teresa S. Madden

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(Signature of Signing Officer)

Teresa S. Madden, Vice President and  
Controller

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(Printed Name and Title of Signing Officer)

Date: April 30, 2004