

(collectively, "Applicants"²) have filed a post-effective amendment to an application-declaration ("Application") previously filed with the Commission under sections 6(a), 7, 9(a), 10, 12(b), 12(c), 12(f), 32 and 33 of the Act and rules 43, 45, 46, 53 and 54 under the Act.

Applicants request authority to extend the time period in which to engage in a variety of financing transactions and other related proposals, as more fully discussed below, commencing on the effective date of an order issued under this Application and ending June 30, 2005 ("Requested Authorization Period"). Applicants also request certain revisions to the terms and conditions for intrasystem financings and guarantees, including the implementation of a utility money pool, and the terms and conditions relating to the formation and operation of financing subsidiaries.

I. Background

By order dated August 22, 2000 (HCAR No. 27218) ("August 2000 Order"), the Commission authorized Xcel to, among other things, issue and sell common stock and long-term debt securities during a period through September 30, 2003 ("Original Authorization Period"), provided that the aggregate proceeds of these issuances, together with any long-term debt and preferred securities issued by financing entities established by Xcel, did not exceed \$2.0 billion.

In the August 2000 Order, the Commission reserved jurisdiction over Xcel's request to use the proceeds of financings to make investments in, exempt wholesale generators ("EWGs"), as defined in section 32 of the Act, and foreign utility companies ("FUCOs"), as defined in section 33 of the Act, in excess of \$1.2 billion. By order dated March 7, 2002 (HCAR No. 27494) ("100% Order", and together with the August 2000 Order, "Original Financing Orders"), the Commission released that reservation of jurisdiction. By order dated May 29, 2003 (HCAR No. 27681), the Commission authorized Xcel's request to declare and pay dividends out of capital and unearned surplus in an aggregate amount not to exceed \$152 million. ("Supplemental Financing Order" and, together with the Original Financing Orders, the "Financing Orders")

Applicants, in the Application, request that the Commission release its

reservation of jurisdiction in the Supplemental Financing Order, so as to authorize an increase in the aggregate amount of common stock and long-term debt securities that Xcel can issue during the Requested Authorization Period from \$2.0 billion, as authorized in the August 2000 Order, to \$2.5 billion. Applicants also request that the financing authority granted by this Application be subject to certain general terms and conditions.

A. Financing Orders

In the Original Financing Orders, the Commission authorized the following transactions ("Financing Authority"):

- Xcel to issue and sell common stock and/or long-term debt securities for the uses described, provided that the aggregate proceeds received during the Original Authorization Period upon issuance of such common stock (exclusive of the issuance of common stock specifically authorized in the Original Financing Orders in respect of employee benefit plans and dividend reinvestment plans,³ the issuance of common stock specifically authorized in the Commission order dated May 30, 2002 (HCAR No. 27533),⁴ and the issuance of common stock in connection with the reorganization of NRG⁵) and the aggregate principal amount of long-term debt issued and outstanding at any one time during the Original Authorization Period, together with any long-term debt or preferred securities issued by Financing Subsidiaries (as defined in the Original Financing Orders) established by Xcel, not to exceed \$2.0 billion;

- Xcel to have outstanding at any one time short-term debt with a maturity date not more than one year from the date of the borrowing in an aggregate principal amount of up to \$1.5 billion;
- Cheyenne and Black Mountain to each issue short-term debt to non-

associate lenders, when combined with borrowings from associate lenders, not to exceed \$40 million for each of Cheyenne and Black Mountain;

- Xcel's Subsidiaries to borrow from each other and from Xcel, and for Xcel and any Subsidiary to enter into guarantees, obtain letters of credit, enter into expense agreements or otherwise provide credit support with respect to the debt and other obligations of other Subsidiaries ("Intrasystem Financings"), excluding transactions that are exempt under rules 45(b) and 52, as applicable, in an aggregate outstanding principal amount not to exceed \$2.5 billion at any one time, provided that any short-term loans to Cheyenne and Black Mountain will be counted against their respective authorization for \$40 million of short-term debt and shall not apply against this limit on Intrasystem Financings;⁶

- Xcel and its Subsidiaries to enter into hedging transactions with respect to existing and anticipated debt offerings, subject to certain limitations and restrictions;

- Xcel and its Subsidiaries to acquire, directly or indirectly, the equity securities of one or more of their Financing Subsidiaries created specifically for the purpose of facilitating the financing of the authorized and exempt activities of Xcel and the Subsidiaries through the issuance of debt or preferred securities, including but not limited to monthly income preferred securities, to third parties, the loaning of the proceeds of such financings to Xcel or such Subsidiaries, the guarantee of all or part of the obligations of any Financing Subsidiary under any securities issued by the Financing Subsidiary, and Xcel or a Subsidiary to enter into expense arrangements in respect of the obligations of any such Financing Subsidiary;⁷

- Xcel and its Nonutility Subsidiaries to acquire the securities of one or more companies ("Intermediate Subsidiaries"), which would be organized exclusively for the purpose of acquiring, holding and/or financing the acquisition of the securities of or other interest in one or more other Nonutility Subsidiaries, provided that Intermediate Subsidiaries may also engage in development activities and administrative activities relating to such subsidiaries;

- Xcel to restructure its nonutility interests, including the creation of new,

accordance with an exemption under the Act or the Commission's rules under the Act.

² As stated above, for purposes of this Application, NRG and its subsidiaries are not Applicants.

³ Xcel was also authorized to issue and/or acquire an additional 30 million shares of its common stock (subject to adjustment for stock splits) from time to time through June 30, 2007 under various employee benefit plans and dividend reinstatement plans. This Application does not request any amendment to this authority.

⁴ In HCAR No. 27533 (May 30, 2002), the Commission authorized Xcel to issue up to 33,394,564 shares of its common stock in connection with the consummation of the exchange offer for the publicly held shares of NRG common stock and upon subsequent exercise of options issued by NRG or conversion of the corporate units issued by NRG into shares of Xcel.

⁵ On May 14, 2003, NRG and certain of NRG's subsidiaries filed voluntary petitions for bankruptcy under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. Authorization for Xcel to issue common stock in accordance with the terms of NRG's Plan of Reorganization is being addressed in a separate application to the Commission under the Act.

⁶ Applicants do not request an extension of this authority, but rather seek revised authority for intrasystem financings and guarantees.

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