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XCEL ENERGY INC  
Form 11-K  
June 30, 2003

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF  
1934  
For the year ended Dec. 31, 2002

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934

Commission file number: 1-3034

XCEL ENERGY

401(K) SAVINGS PLAN

XCEL ENERGY INC. (the "Company")

800 NICOLLET MALL  
MINNEAPOLIS, MINNESOTA 55402

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INDEX  
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Financial Statements:

Statements of Net Assets Available for Benefits as of Dec. 31, 2002 and 2001  
 Statement of Changes in Net Assets Available for Benefits for the Year Ended Dec. 31, 2002

Notes to Financial Statements

Supplemental Schedules:

Schedule H - Line 4(i) - Schedule of Assets Held for Investment Purposes at Dec. 31, 2002  
 Schedule H - Line 4(j) - Schedule of Reportable Transactions for the Year Ended  
 Dec. 31, 2002

Independent Auditors' Report

Signature

Exhibit 23.01: Independent Auditors' Consent

Exhibit 99.01: Officer Certification

Page 2

XCEL ENERGY INC.  
 401(K) SAVINGS PLAN

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 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
 AS OF DEC. 31, 2002 AND 2001

	2002	2001
	-----	-----
Assets		
Receivables:		
Employer contributions	\$ 10,854,411	\$ 11,638,038
Participant contributions	1,196,089	339,256
Dividend	2,660,375	1,349,940
Interest	--	49,799
	-----	-----
Total receivables	14,710,875	13,377,033
Xcel Energy Common Stock Fund:		
Participant directed	22,584,718	31,020,022
Non-participant directed	673,510	68,839,515
	-----	-----
Total Xcel Energy Common Stock Fund	23,258,228	99,859,537
Non-interest-bearing cash	--	880,002
General investments:		
ESOP Stock Fund	132,817,141	--
Interest-bearing cash	31,442,824	51,783,765
Loans to participants	8,104,622	9,905,765
Value of interest in registered investment companies	483,661,320	552,753,108
	-----	-----

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Total general investments	656,025,907	614,442,638
	-----	-----
Total assets	\$693,995,010	\$728,559,210
	-----	-----
	Liabilities	
Pending securities deliverable and other	\$ --	\$ --
	-----	-----
Total liabilities	\$ --	\$ --
	-----	-----
Net assets available for benefits	\$693,995,010	\$728,559,210
	=====	=====

See accompanying notes to financial statements.

Page 3

XCEL ENERGY INC.  
401(K) SAVINGS PLAN

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STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED DEC. 31, 2002

	Additions	
Contributions:		
Employer	\$ 12,142,834	
Participants	48,818,612	
	-----	
Total contributions	60,961,446	
Earnings on investments:		
Investment income		
Interest	568,315	
Dividends	26,928,772	
	-----	
Total investment income	27,497,087	
	-----	
Other additions	60,237	
	-----	
Total additions	88,518,770	
	-----	
	Deductions	
Realized loss on sale of assets	37,460,269	
Unrealized depreciation on investments	247,234,429	
Benefits paid to participants	62,224,818	
Administrative expenses	59,581	

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Other deductions	335,620
	-----
Total deductions	347,314,717
	-----
Net decrease before transfers	(258,795,947)
Transfers (see Note 2):	
To this plan	246,283,114
From this plan	(22,051,367)
	-----
Net transfers	224,231,747
Net decrease in net assets available for benefits	(34,564,200)
Net assets available for benefits:	
Beginning of year	728,559,210
	-----
End of year	\$ 693,995,010
	=====

See accompanying notes to financial statements.

Page 4

XCEL ENERGY INC.  
401(K) SAVINGS PLAN  
(EIN: 41-0448030 PN: 003)

NOTES TO FINANCIAL STATEMENTS

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

1. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING - The financial statements and supplemental schedules of the Plan have been prepared in accordance with the Department of Labor's Rules and Regulations for reporting and disclosure under the Employee Retirement Income Security Act of 1974 and accounting principles generally accepted in the United States of America.

INVESTMENT VALUATION - Investments are stated at fair value. Unrealized gains (appreciation) and losses (depreciation) are recorded for the net change in the fair value of investments during the year. Dividend income is accrued on the ex-dividend date.

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, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

BENEFITS - Benefits are recorded as paid.

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### 2. Description of Plan and Funding Policy

The following brief description of the Plan is provided for general information purposes only.

On August 18, 2000 Northern States Power Co. (NSP) and New Century Energies, Inc. (NCE) merged and formed Xcel Energy Inc. (Xcel Energy). The New Century Energies, Inc. Employees' Savings and Stock Ownership Plan for Non-Bargaining Unit Employees merged into the Xcel Energy Retirement Savings Plan on December 31, 2001. The Plan was restated and renamed the Xcel Energy 401(k) Savings Plan effective January 1, 2002. On May 6, 2002, the Xcel Energy Employee Stock Ownership Plan (previously the Northern States Power Company Employee Stock Ownership Plan) merged into this Plan.

All of the assets of the trust are available to pay benefits to both bargaining and nonbargaining participants. Participants should refer to the Plan document for more complete information.

**ELIGIBILITY** - The Plan is a defined contribution employee benefit plan, which provides eligible employees of participating subsidiaries of Xcel Energy (collectively the "Companies") with the opportunity to contribute to a retirement savings plan.

**PARTICIPANT PRE-TAX CONTRIBUTIONS** - Individual participants may elect to have amounts deducted from their pay on a pre-tax basis and contributed to their individual accounts in the Plan. Employees can elect to start, stop or change their contribution election at any time. The maximum pre-tax contribution each year is 20 percent of annual base pay, not to exceed the Internal Revenue Service maximum of \$11,000 for 2002. Participants may invest their contributions among the various investment funds offered by the Plan. Income on a participant's investment in the fund is credited to each participants' account based on the number of units in the participants' investment in the fund and the funds' unit value.

**PARTICIPANT AFTER-TAX CONTRIBUTIONS** - The Plan also allows participants to make after-tax contributions through payroll deductions. Bargaining employees can make additional lump sum after tax cash contributions to the Plan. After-tax contributions by payroll deduction or lump sum cash payments are subject to an annual limit of 10 percent of base pay. Combined pre-tax and after-tax contributions cannot exceed 20 percent of base pay in any given year.

**EMPLOYER CONTRIBUTIONS** - Former NSP nonbargaining and bargaining employees had the option to elect the Pension Equity Plan Benefit effective Jan. 1, 1999 and 2000, respectively. Subsequent to Jan. 1, 2000, bargaining employees have the option to elect either the Pension Equity Plan Benefit or the then existing pension benefit program through

Page 5

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

2005. Former NCE nonbargaining employees had the option to elect the Pension Equity Plan Benefit or remain a participant in the Account Balance Plan effective January 1, 2002.

Employees covered by the Pension Equity Plan Benefit or the Account Balance

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Plan Benefit (and nonbargaining employees of a participating employer not covered by a company sponsored pension plan) are eligible to receive matching contributions equal to 100 percent of the first 3 percent of pay contributed on a pre-tax basis, plus 50 percent of the next 2 percent of pay contributed on a pre-tax basis to the Plan during the plan year.

Nonbargaining employees and bargaining employees who elected the traditional pension plan received up to \$1,400 and \$900, respectively, in matching contributions from the Company.

The Companies may make an additional contribution to participants' accounts at their discretion.

**BENEFITS** - Benefits are distributed after termination of employment, disability, death or certain qualifying hardships upon request of the participant (or the participant's beneficiary). Each participant is fully vested in all contributions allocated to their account. Distributions may be made in the form of a single lump sum, direct rollover, partial lump sum or installments.

**ADMINISTRATION** - The Companies constitute a controlled group under Section 414(b) of the Internal Revenue Code. The parent corporation administers the Plan. Administrative expenses of the Plan are paid by the Companies, except for certain investment management fees.

**PLAN TERMINATION** - There is no specified term for the Plan, and the employer has not expressed any intent to terminate the Plan. The employer may terminate the Plan at any time in accordance with the provisions of the Employee Retirement Income Security Act. Upon termination any remaining participant account balances will be held in trust until distribution to participants or transfer to another plan.

### 3. Information Certified by the Trustees

Investment information regarding the Plan, included in the Plan's financial statements and the supplemental schedules, was prepared by U.S. Bank National Association and Vanguard Fiduciary Trust Company, the trustees for the Plan, and furnished to the Plan's administrator. The Plan's administrator has obtained certification from the trustees that the investment information is complete and accurate.

### 4. Participant Loans

The Plan allows participants to borrow against funds held in their individual retirement savings account in any amount greater than \$1,000 but less than 50 percent of the participant's vested account balance. In no event can a participant borrow more than \$50,000 less the sum of any principal payments made on Plan loans during the preceding 12 months. Loans are for a period not to exceed 5 years for general purpose loans or 15 years for principal residential loans. The loans bear interest at a rate of prime plus 1 percent which is determined on the first business day of the month in which the loan is approved, and stays in effect until the loan is repaid. A participant can only have one loan outstanding at a time. Repayment of the loan plus interest is made through payroll deductions.

### 5. Significant Plan Assets

At Dec. 31, 2002 the market value of each of the following investments was in excess of 5 percent of the Plan's net assets:

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Xcel ESOP Stock Fund	\$132,817,141
Vanguard 500 Index Fund Investor Shares	\$128,930,848
Vanguard Total Bond Market Index Fund	\$128,341,407
Vanguard PRIMECAP Fund	\$ 53,519,877

Page 6

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

6. Federal Income Tax Status

The Plan has received from the Internal Revenue Service a determination letter stating the Plan is qualified under the applicable sections of the Internal Revenue Code. On March 16, 1998, the Companies received a favorable determination from the Internal Revenue Service that the Plan, as amended, continues to qualify under the applicable sections of the Internal Revenue Code (the "Code"). Although the Plan has been amended since receiving the determination letter, the plan administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.

7. Related Party Transactions

Certain investments of the Plan are shares of Xcel Energy Common Stock. Receivables include dividends on Company common stock declared and payable to the Plan of \$2,660,375 at Dec. 31, 2002.

Vanguard Fiduciary Trust manages certain investments of the Plan. Vanguard is a trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

8. Risks and Uncertainties

The Plan provides for investments in a variety of investment funds. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Page 7

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

SCHEDULE H - ITEM 4(i)- SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

IDENTITY OF ISSUE	NUMBER OF SHARES	COST	CURRENT
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Xcel Energy Common Stock Fund:				
Xcel Energy Common Stock (1)	2,114,384	\$ 32,236,373		\$ 23,236,373
Xcel Energy ESOP Stock Fund (1)	12,074,285	226,723,276		132,800,000
Registered Investment Companies:				
Vanguard 500 Index Fund (1)	1,588,797	165,001,653		128,900,000
Vanguard Total Bond Market Index (1)	12,364,297	125,443,696		128,300,000
Vanguard PRIMECAP Fund (1)	1,384,373	70,083,307		53,500,000
Vanguard Wellington Fund (1)	1,391,568	37,628,481		34,100,000
Pimco Total Return Fund (1)	2,980,670	31,391,072		31,800,000
Vanguard Mid-Cap Index Fund (1)	2,857,210	33,239,015		28,200,000
Longleaf Partners Fund (1)	1,017,921	25,028,935		22,600,000
Wasatch Core Growth Fund (1)	759,503	26,240,613		20,200,000
Vanguard Small-Cap Index Fund (1)	1,280,590	25,095,693		20,000,000
Vanguard Inflation Protected Securities (1)	705,422	8,039,574		8,300,000
Vanguard Developing Market Index (1)	1,255,686	8,496,721		7,200,000
VGI Brokerage Option (1)	143,327	143,327		1,000,000
Interest-bearing Cash:				
Vanguard Prime Money Market (1)	31,442,824	31,442,824		31,442,824
Outstanding Participant Loans 5.25% - 10.51%(1)				
		8,104,622		8,104,622
Total		\$ 854,339,182		\$ 679,200,000

(1) Represents transaction with party-in-interest (Note 7)

The accompanying notes to financial statements are an integral part of this schedule.

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

SCHEDULE H - ITEM 4(j) - SCHEDULE OF REPORTABLE TRANSACTIONS (FOR THE YEAR ENDED DEC. 31, 2002)

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(g) Cost of asset
-----	-----	-----	-----	-----
Single Transaction or Series of Transactions - Security of the Same Issue				
-----				
The Vanguard Group	Vanguard 500 Index	\$29,407,863		
The Vanguard Group	Vanguard 500 Index		\$50,790,895	\$56,484,875
The Vanguard Group	Vanguard Prime Money Market	\$21,000,949		



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The Vanguard Group	Vanguard Prime Money Market		\$19,027,721	\$19,027,721
The Vanguard Group	Vanguard Total Bond Market Index	\$24,800,677		
The Vanguard Group	Vanguard Total Bond Market Index		\$32,973,551	\$32,921,121
The Vanguard Group	Xcel Energy Stock Fund	\$19,499,349		
The Vanguard Group	Xcel Energy Stock Fund		\$81,498,890	\$59,985,053
The Vanguard Group	Xcel Energy ESOP Stock Fund	\$307,717,942		
The Vanguard Group	Xcel Energy ESOP Stock Fund		\$10,493,041	\$13,541,988

The accompanying notes to financial statements are an integral part of this schedule.

Page 9

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

INDEPENDENT AUDITORS' REPORT

Xcel Energy 401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of Xcel Energy 401(k) Savings Plan as of December 31, 2002 and 2001, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2002 and 2001, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held for investment purposes and schedule of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audit of

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the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ DELOITTE & TOUCHE LLP  
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DELOITTE & TOUCHE LLP  
Minneapolis, MN  
June 30, 2003

Page 10

Xcel Energy Inc.  
401(k) Savings Plan  
(EIN: 41-0448030 PN:003)

SIGNATURE

As permitted under Form 11-K rules, the Company's 401(k) Savings Plan is filing plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA.

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Company's Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

Xcel Energy  
401(k) Savings Plan  
-----  
(Registrant)

By /s/ PARKER W. NEWCOMB  
-----  
Parker W. Newcomb  
Vice President Total Compensation and  
Human Resources Operations  
Xcel Energy Inc.

June 30, 2003

Page 11