

NRG ENERGY, INC.  
Form 8-K  
March 30, 2005

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported)

January 21, 2005

**NRG Energy, Inc.**

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(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

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(State or Other Jurisdiction of Incorporation)

**001-15891**

**41-1724239**

(Commission File Number)

(IRS Employer Identification No.)

**211 Carnegie Center**

**Princeton, NJ 08540**

(Address of Principal Executive Offices)

(Zip Code)

**609-524-4500**

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(Registrant's Telephone Number, Including Area Code)

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(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



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**Item 8.01 Other Events**

NRG Energy, Inc. or NRG, is preparing to file a registration statement on Form S-3 to register its 4% Convertible Perpetual Preferred Stock, or the Preferred Stock, and an amended registration statement on Form S-4 to register its 8% second priority secured notes due 2013, or the 8% Notes. In connection with these filings, NRG is filing the unaudited pro forma analyses as set forth below.

**Transactional Pro Forma Analysis:**

Set forth below is an unaudited pro forma consolidated balance sheet, consolidated statement of operations and earnings per share information reflecting the impact of the following transactions which occurred in the first quarter of 2005:

1. Redemption and repurchase of \$415.8 million of NRG's 8% Notes
2. Dividend declaration of 4% Convertible Perpetual Preferred Stock for 2004 (reflected in the earnings per share information only)

The unaudited pro forma balance sheet is based on NRG's balance sheet and has been prepared to reflect the redemption and repurchase of the 8% Notes assuming the transaction had occurred on December 31, 2004. The unaudited pro forma statement of operations is based on NRG's statement of operations and has been prepared to reflect the decrease in interest expense assuming the redemption and purchase of the 8% Notes had occurred on December 31, 2003.

These unaudited pro forma financial statements should be read with the Company's Annual Report on Form 10-K for the year ended December 31, 2004 as filed with the SEC on March 30, 2005.

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**Table of Contents****Balance Sheet (unaudited)***(in thousands)*

|   |                     | <b>December 31, 2004</b>  |            |                     |
|---|---------------------|---|------------|---------------------|
|   | <b>Historical</b>   | <b>Pro Forma<br/>Adjustments<br/>Redemption<br/>and<br/>purchase of<br/>Notes</b> |            | <b>Pro Forma</b>    |
| <i>Current Assets</i>                             |                     |   |            |                     |
| Cash and cash equivalents                         | \$ 1,110,045        | \$ (449,337)  | <b>A</b>   | \$ 660,708          |
| Restricted cash                                   | 112,824             |   |            | 112,824             |
| Accounts receivable                               | 272,101             |   |            | 272,101             |
| Inventory   | 248,010             |   |            | 248,010             |
| Other current assets                              | 375,308             |   |            | 375,308             |
| <b>Total current assets</b>                       | <b>2,118,288</b>    | <b>(449,337)</b>  |            | <b>1,668,951</b>    |
| Property, plant and equipment, net                | 3,374,551           |   |            | 3,374,551           |
| <i>Other Assets</i>                               |                     |   |            |                     |
| Equity investments in affiliates                  | 734,950             |   |            | 734,950             |
| Notes receivable, less current portion            | 804,522             |   |            | 804,522             |
| Other long-term assets                            | 797,717             | (7,628)   | <b>B</b>   | 790,089             |
| <b>Total other assets</b>                         | <b>2,337,189</b>    | <b>(7,628)</b>  |            | <b>2,329,561</b>    |
| <b>Total Assets</b>                               | <b>\$ 7,830,028</b> | <b>\$ (456,965)</b>   |            | <b>\$ 7,373,063</b> |
| <i>Liabilities</i>                                |                     |   |            |                     |
| Current portion of long-term debt                 | \$ 512,252          | \$ (638)  | <b>C</b>   | \$ 511,614          |
| Accounts payable trade                            | 166,131             |   |            | 166,131             |
| Other current liabilities                         | 409,558             |   |            | 409,558             |
| <b>Total current liabilities</b>                  | <b>1,087,941</b>    | <b>(638)</b>  |            | <b>1,087,303</b>    |
| Long-term debt                                    | 3,253,866           | (421,433)   | <b>A,C</b> | 2,832,433           |
| Other long-term obligations                       | 796,057             |   |            | 796,057             |
| <b>Total liabilities</b>                          | <b>5,137,864</b>    | <b>(422,071)</b>  |            | <b>4,715,793</b>    |
| <i>Stockholders' Equity</i>                       |                     |   |            |                     |
| Convertible perpetual preferred stock             | 406,359             |   |            | 406,359             |
| Common stock and additional paid-in capital       | 2,418,021           |   |            | 2,418,021           |
| Treasury stock                                    | (405,312)           |   |            | (405,312)           |
| Retained earnings and accumulated OCI             | 273,096             | (34,894)  | <b>D</b>   | 238,202             |
| <b>Total stockholders' equity</b>                 | <b>2,692,164</b>    | <b>(34,894)</b>   |            | <b>2,657,270</b>    |
| <b>Total Liabilities and Stockholders' Equity</b> | <b>\$ 7,830,028</b> | <b>\$ (456,965)</b>   |            | <b>\$ 7,373,063</b> |

**Table of Contents****Footnotes to Pro Forma Balance Sheet**

**A** - Reflects the following payments:.

|   |           |
|---|-----------|
| Repayment of 8% Notes                       | \$415,838 |
| Premium and fees for extinguishment of debt | 33,499    |
|   | \$449,337 |

**B** - Reflects the write-off of deferred finance costs associated with the redemption and purchase of \$415.8M of the 8% Notes.

**C** - These amounts reflect the reduction in the premium following the redemption and purchase of \$415.8M of the 8% Notes, as follows:

|                     |         |
|---------------------|---------|
| Current premium     | \$ 638  |
| Non-current premium | 5,595   |
|                     | \$6,233 |

**D** - Reflects the adjustments to the statement of operations for the costs associated with the redemption and purchase of \$415.8M of the 8% Notes:

|   |          |
|---|----------|
| Premium and fees for extinguishment of debt | \$33,499 |
| Write-off of deferred finance cost          | 7,628    |
| Write-off of debt premium                   | (6,233)  |
|   | \$34,894 |

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**Table of Contents****Statement of Operations (unaudited)***(in thousands)*

|  | <b>Year Ended December 31, 2004</b> |   |                    |
|--|-------------------------------------|---|--------------------|
|  | <b>Historical</b>                   | <b>Pro Forma<br/>Adjustments<br/>Redemption<br/>and<br/>purchase of<br/>Notes</b> | <b>Pro Forma</b>   |
| <b>Operating Revenues</b>                                    |                                     |   |                    |
| Revenues from majority-owned operations                      | \$ 2,361,424                        |   | \$ 2,361,424       |
| <b>Operating Costs and Expenses</b>                          |                                     |   |                    |
| Cost of majority-owned operations                            | 1,494,336                           |   | 1,494,336          |
| Depreciation and amortization                                | 209,295                             |   | 209,295            |
| General, administrative and development                      | 211,240                             |   | 211,240            |
| Other charges (credits)                                      |                                     |   |                    |
| Corporate relocation charges                                 | 16,167                              |   | 16,167             |
| Reorganization items   | (13,390)                            |   | (13,390)           |
| Restructuring and impairment charges                         | 44,661                              |   | 44,661             |
| Total operating costs and expenses                           | 1,962,309                           |   | 1,962,309          |
| <b>Operating Income</b>                                      | <b>399,115</b>                      |   | <b>399,115</b>     |
| <b>Other Income (Expense)</b>                                |                                     |   |                    |
| Minority interest in earnings of consolidated subsidiaries   | (1,045)                             |   | (1,045)            |
| Equity in earnings of unconsolidated affiliates              | 159,825                             |   | 159,825            |
| Write downs and losses on sales of equity method investments | (16,270)                            |   | (16,270)           |
| Other income, net  | 26,565                              |   | 26,565             |
| Refinancing expenses   | (71,569)                            |   | (71,569)           |
| Interest expense   | (269,364)                           | 34,703  | <b>E</b> (234,661) |
| Total other expense  | (171,858)                           | 34,703  | (137,155)          |
| <b>Income From Continuing Operations Before Income Taxes</b> | <b>227,257</b>                      | <b>34,703</b>   | <b>261,960</b>     |
| Income Tax Expense   | 65,112                              |   | 65,112             |
| <b>Income From Continuing Operations</b>                     | <b>\$ 162,145</b>                   | <b>\$ 34,703</b>  | <b>\$ 196,848</b>  |

**Footnotes to Pro Forma Statement of Operations**

**E** - Reduction in the following expenses associated with the redemption and purchase of \$415.8M of the 8% Notes.

|   |        |
|---|--------|
| Reverse amortization of deferred finance cost | 848    |
| Reverse amortization of debt premium          | (638)  |
| Reduction in interest payments                | 34,493 |





**Table of Contents****Earnings per Share (unaudited)**  
(in thousands except per share data)

|  | <b>Year Ended December 31, 2004</b>                 |           |                            |                      |
|--|---|-----------|----------------------------|----------------------|
|  | <b>Pro forma adjustments</b>                        |           |                            |                      |
|  | <b>Redemption<br/>and<br/>purchase<br/>of Notes</b> |           | <b>Preferred<br/>Stock</b> |                      |
|  | <b>Historical</b>                                   |           |                            | <b>Pro<br/>Forma</b> |
| <b>Basic EPS:</b>  |   |           |                            |                      |
| Income from continuing operations  | \$ 162,145  | \$ 34,703 | \$                         | \$ 196,848           |
| Less:  |   |           |                            |                      |
| Preferred stock dividends  | (549)   |           | (16,251)                   | <b>F</b> (16,800)    |
| Net income available to common stockholders<br>from continuing operations  | \$ 161,596  | \$ 34,703 | \$ (16,251)                | \$ 180,048           |
| Weighted average number of common shares<br>Outstanding  | 99,616  |           |                            | 99,616               |
| <b>Basic EPS from continuing operations</b>  | <b>\$ 1.62</b>                                      |           |                            | <b>\$ 1.81</b>       |
| <b>Diluted EPS:</b>  |   |           |                            |                      |
| Net income available to common stockholders<br>from continuing operations  | \$ 161,596  | \$ 34,703 | \$ (16,251)                | \$ 180,048           |
| Add:   |   |           |                            |                      |
| Preferred stock dividends  | 549   |           | 16,251                     | 16,800               |
| Income from continuing operations  | \$ 162,145  | \$ 34,703 | \$                         | \$ 196,848           |
| Weighted average number of common shares<br>Outstanding  | 99,616  |           |                            | 99,616               |
| Incremental shares attributable to the issuance of<br>non-vested restricted stock units (treasury stock<br>method) | 345   |           |                            | 345                  |
| Incremental shares attributable to the assumed<br>conversion of deferred stock units (if-converted<br>method)      | 67  |           |                            | 67                   |
| Incremental shares attributable to the assumed<br>conversion of preferred stock (if-converted<br>method)           | 343   |           | 10,157                     | <b>G</b> 10,500      |
| Total dilutive shares  | 100,371   |           |                            | 110,528              |
| <b>Dilutive EPS from continuing operations</b>   | <b>\$ 1.62</b>                                      |           |                            | <b>\$ 1.78</b>       |

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**Footnotes to Pro Forma Earnings per Share**

- F** - The increase in dividends for Preferred Stock assumes the Preferred Stock was issued as of January 1, 2004
- G** - The increase in diluted shares assumes the Preferred Stock was issued from January 1, 2004 and calculated per the as if-converted method for earnings per share
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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NRG Energy, Inc.  
(Registrant)

By: /s/ TIMOTHY W. J. O BRIEN  
Timothy W. J. O Brien  
Vice President, Secretary and General Counsel

Dated: March 30, 2005