



Delivering Results

**Barclays Energy Power Conference
September 9, 2015**

Safe Harbor

Except for the historical statements contained in this release, the matters discussed herein, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including our 2015 earnings per share guidance and assumptions, are intended to be identified in this document by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them to reflect changes that occur after that date. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries (collectively, Xcel Energy) to obtain financing on favorable terms; business conditions in the energy industry, including the risk of a slow down in the U.S. economy or delay in growth recovery; trade, fiscal, taxation and environmental policies in areas where Xcel Energy has a financial interest; customer business conditions; actions of credit rating agencies; competitive factors, including the extent and timing of the entry of additional competition in the markets served by Xcel Energy Inc. and its subsidiaries; unusual weather; effects of geopolitical events, including war and acts of terrorism; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rates or have an impact on asset operation or ownership or impose environmental compliance conditions; structures that affect the speed and degree to which competition enters the electric and natural gas markets; costs and other effects of legal and administrative proceedings, settlements, investigations and claims; actions by regulatory bodies impacting our nuclear operations, including those affecting costs, operations or the approval of requests pending before the Nuclear Regulatory Commission; financial or regulatory accounting policies imposed by regulatory bodies; availability or cost of capital; employee work force factors; and the other risk factors listed from time to time by Xcel Energy in reports filed with the Securities and Exchange Commission (SEC), including Risk Factors in Item 1A and Exhibit 99.01 of Xcel Energy Inc.’s Annual Report on Form 10-K for the year ended Dec. 31, 2014 and Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2015.

Xcel Energy Investment Merits

- **Focused strategic plan**
- **Offering an attractive total return**
 - **EPS growth objective of 4% – 6% ***
 - **Dividend growth objective of 5% – 7%**
 - **Dividend payout ratio target of 60% – 70%**
- **Strong credit metrics**
 - **Unsecured credit ratings of “BBB+” to “A”**
 - **Secured credit ratings in “A” range**
- **Proven track record of delivering on financial objectives**

** Based on weather-normalized 2014 EPS of \$2.00*

Xcel Energy Strategic Plan

Objectives

Measurable Results

**Improve Utility
Performance**



- Close ROE gap 50 bps by 2018
- Derive 75% of revenue from MYPs

**Drive Operational
Excellence**



- Manage workforce transition
- Limit annual O&M growth to 0-2%

**Provide Customer
Options & Solutions**



- Offer more energy options
- Exceed customer expectations

Invest for the Future



- Base capital plan drives annual rate base growth of 4.7%
- Potential incremental investment in natural gas and transmission

Fully Regulated, Diverse Utility



NSP-Minnesota (NSPM)
35-45% of earnings

NSP-Wisconsin (NSPW)
5-10% of earnings

**Public Service Co.
of Colorado (PSCo)**
45-55% of earnings

**Southwestern
Public Service (SPS)**
5-15% of earnings

Operate in 8 States

Combination Utility

90% electric
10% natural gas

Customers

3.5 million electric
2.0 million natural gas

2015 Dividend (Annualized) = \$1.28
2015 Ongoing EPS Guidance = \$2.00 - \$2.15

2015 Highlights

- Increased the dividend 6.7%
- Increased our annual dividend growth objective to 5% - 7%
- Resolved major regulatory proceedings - providing revenue certainty and reducing regulatory overhang
 - Colorado electric multi-year plan covering 2015-2017
 - Minnesota electric multi-year plan covering 2014-2015
 - Monticello prudence review
 - South Dakota rate case covering 2015-2017
- Purchased the Courtenay 200 MW wind farm project
- Multi-year plan legislation passed in Minnesota
- Regulatory lag legislation passed in Texas

Legislation Passed in Minnesota

- Legislation became law in June 2015
- Provides longer, more holistic multi-year rate plans
- Ability to implement multi-year plans for up to five years
- Allowing for recovery of capital investments
- Recovery of O&M expenses based on a price index
- Distribution costs for grid modernization eligible for rider recovery
- Recovery of early plant closure costs, if Commission orders closure
- Interim rates for first two years, while plan is under consideration

Contrasting Multi-Year Plans in Minnesota

Previous Multi-Year Plan

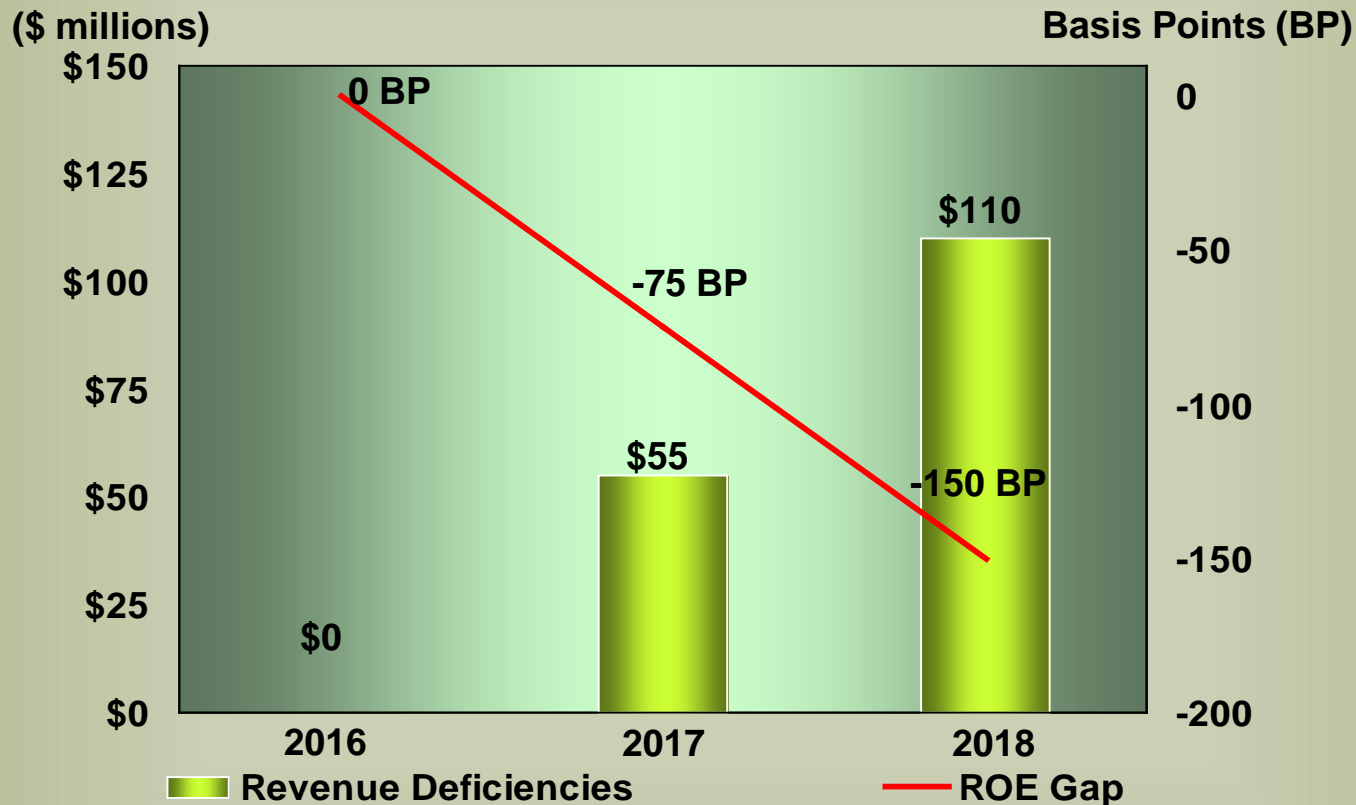
- Up to 3 years
- Recovery of capital related costs for known and identifiable projects
- No general O&M recovery

New Multi-Year Plan Legislation

- Up to 5 years
- Recovery of capital related costs based on a formula, forecast or fixed escalation rate
- Recovery of O&M costs based on an index or formula
- Distribution costs for grid modernization eligible for rider recovery
- Recovery of early plant closure costs

New MYP provides longer and more holistic cost recovery

Hypothetical Example of Regulatory Lag Under Previous Multi-Year Plan in Minnesota



A hypothetical example of regulatory lag under the previous MYP. Assumptions:

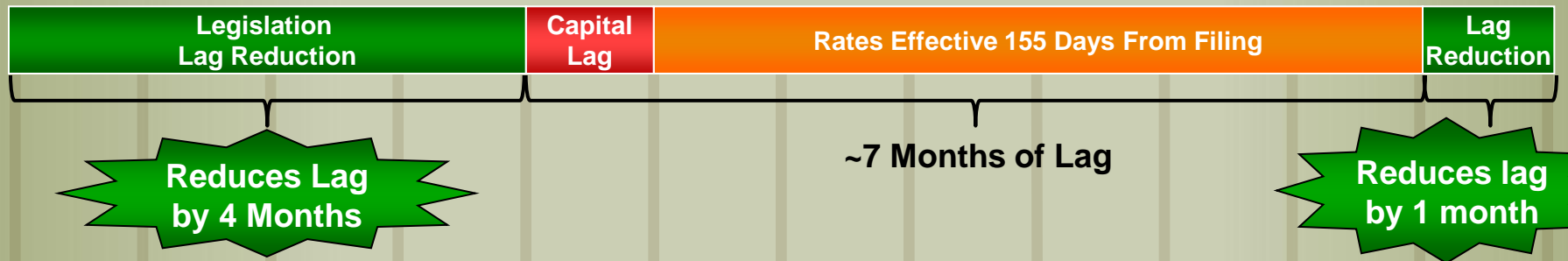
- Hypothetical example assumes full recovery in year 1 - no regulatory lag or disallowances.
- Annual cap ex = \$1 billion. Only 70% of cap ex recovered in years 2 & 3.
- Each dollar of cap ex generates a revenue requirement factor of 15%.
- Annual O&M = \$1 billion and grows at 1%. Incremental O&M is not recovered in year 2 & 3.

Legislation Passed in Texas

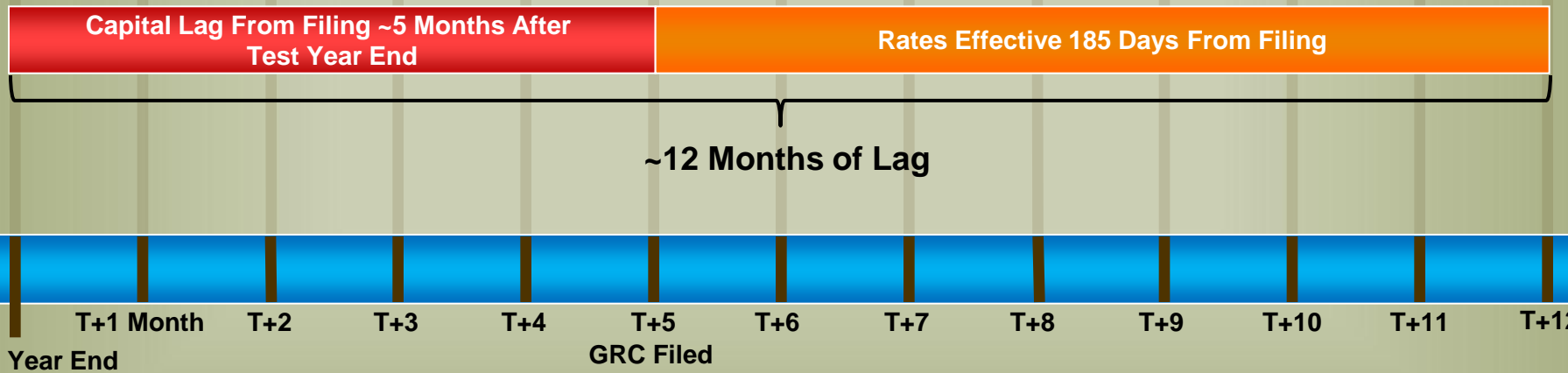
- **Legislation became law in June 2015**
- **Legislation will help to reduce regulatory lag**
 - **Ability to implement temporary rates or surcharge 155 days after rate case filing date**
 - **Allow the addition of post test year capital additions up to 30 days before rate case filing date**
 - **New natural gas generation may be included in rate base as long as it is in service before final rates go into effect**

Impact of Texas Legislation On Regulatory Lag

Legislation Structurally Reduces Regulatory Lag



Status Quo Regulation – Regulatory Lag



New legislation will potentially reduce regulatory lag from 12 months to 7 months

Impact of Improved Earned ROE

***Consolidated
Earned ROE***

***5-year EPS
CAGR***

11.0% ● → 6% - 7%

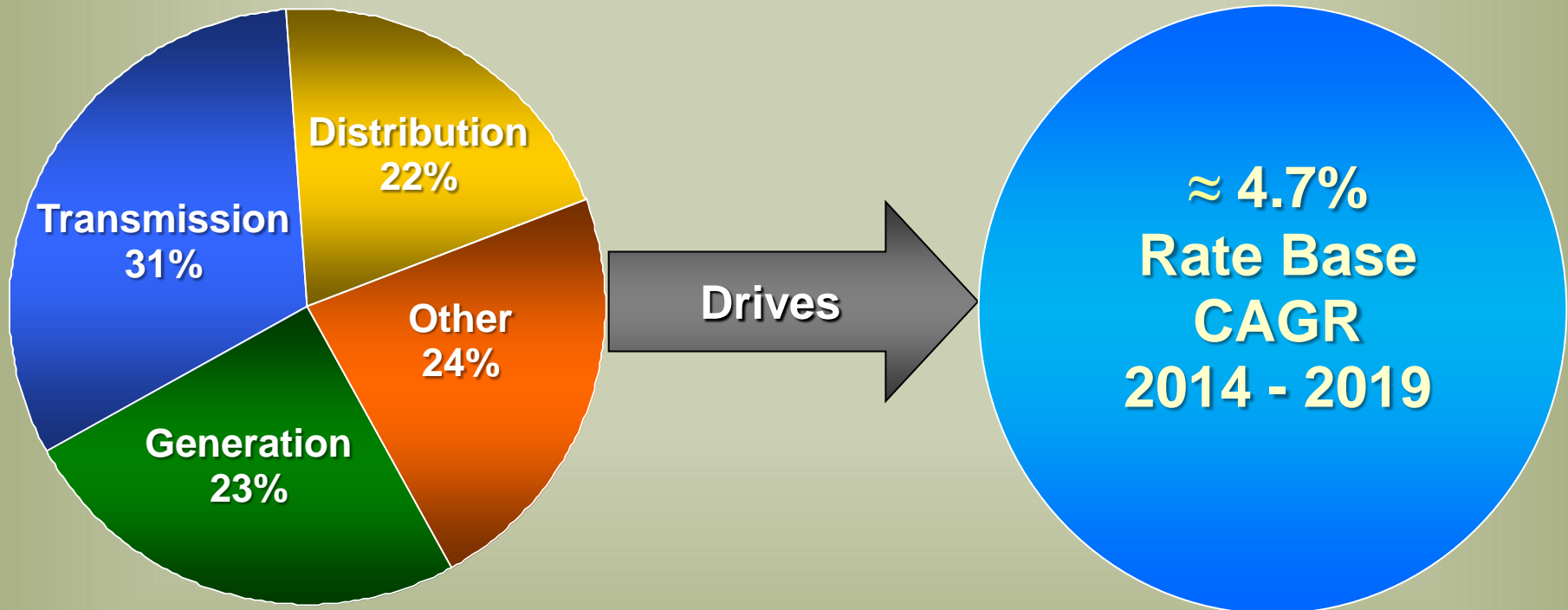
10.5% ● → 5% - 6%

10.0% ● → 4% - 5%

Based on Xcel Energy's consolidated GAAP ROE

Base Capital Investment Plan Drives Rate Base Growth

2015-2019
Base Capital Expenditures
\$14.5 Billion



Capital forecast does not include \$300 million Courtenay wind project

Investing for the Future

Natural Gas Assets

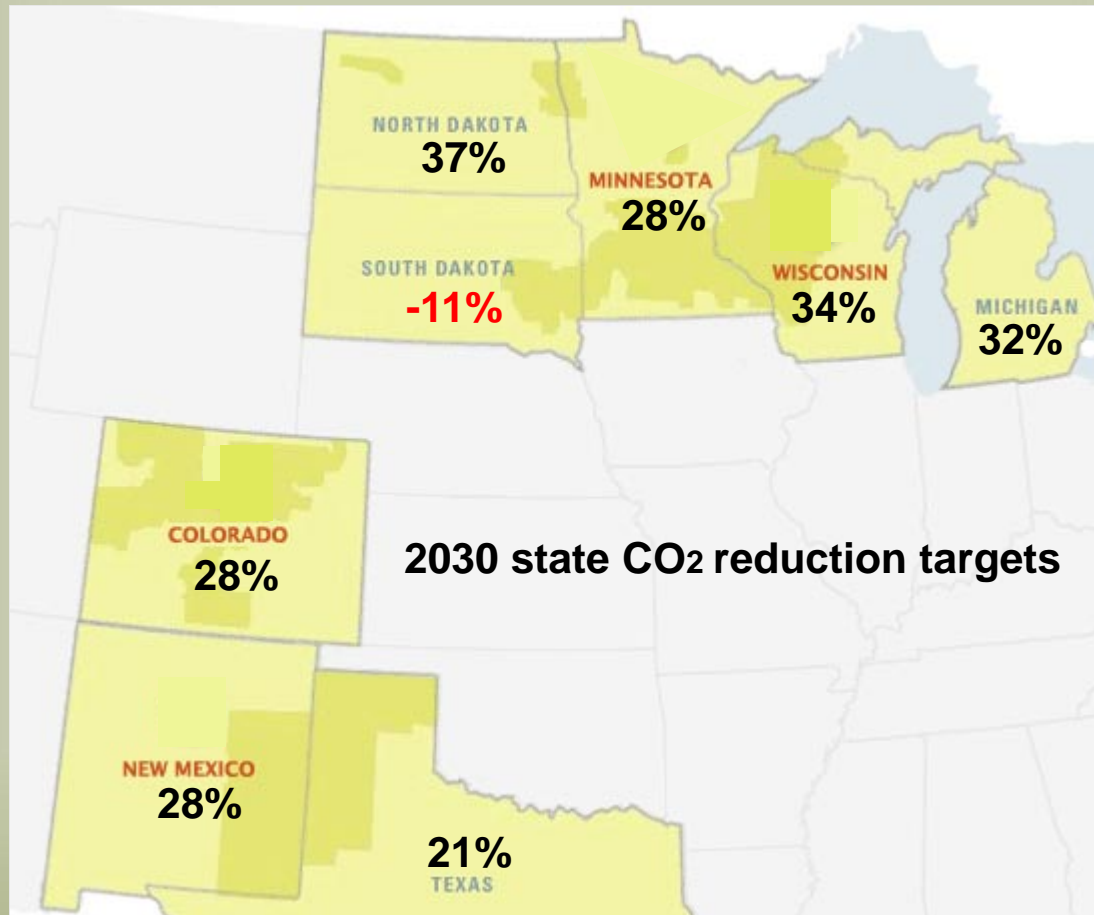
- Take advantage of growth opportunities
- Leverage natural gas footprint
- Potential investments
 - Natural gas pipelines
 - Natural gas storage
 - Rate-basing nat. gas reserves

Transmission: A Two Prong Strategy

- Operating Company
 - Will defend using ROFR
 - ROFR statutes in MN, ND, SD
 - \$4.5 billion in capex forecast
- Transco
 - Expand into broader FERC Order 1000 regions
 - Pursue competitive growth in disciplined manner
 - Not included in capex forecast

We will continue to be disciplined and thoughtful as we pursue growth

Xcel Energy States EPA's Final Clean Power Plan

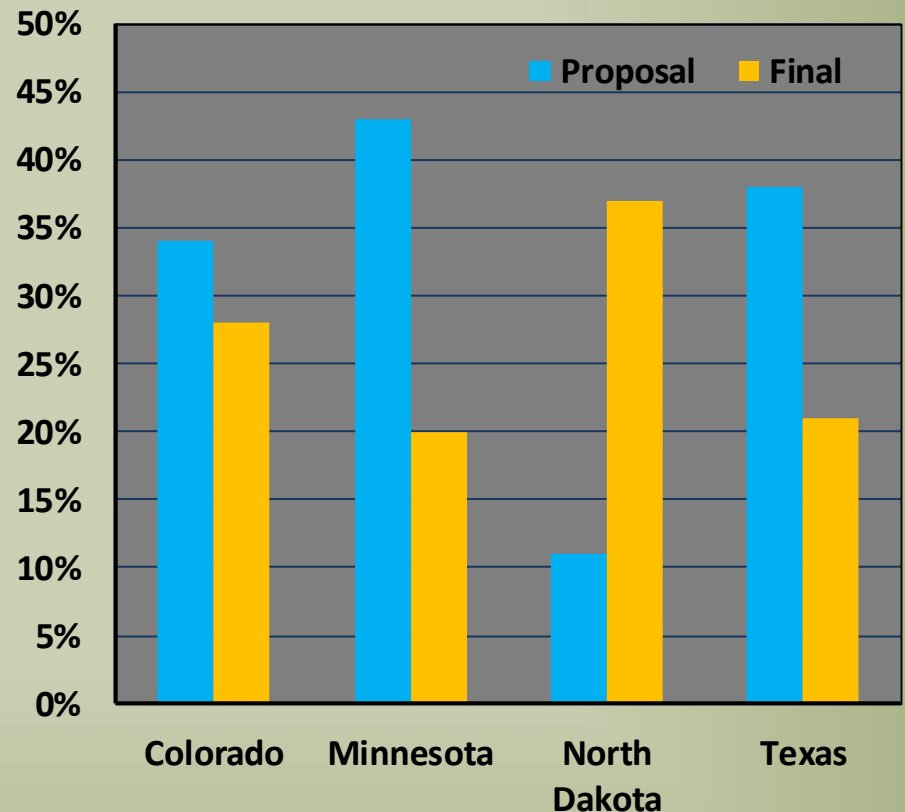


Mass-based targets, existing units only

Clean Power Plan 2030 Emission Reduction Requirements

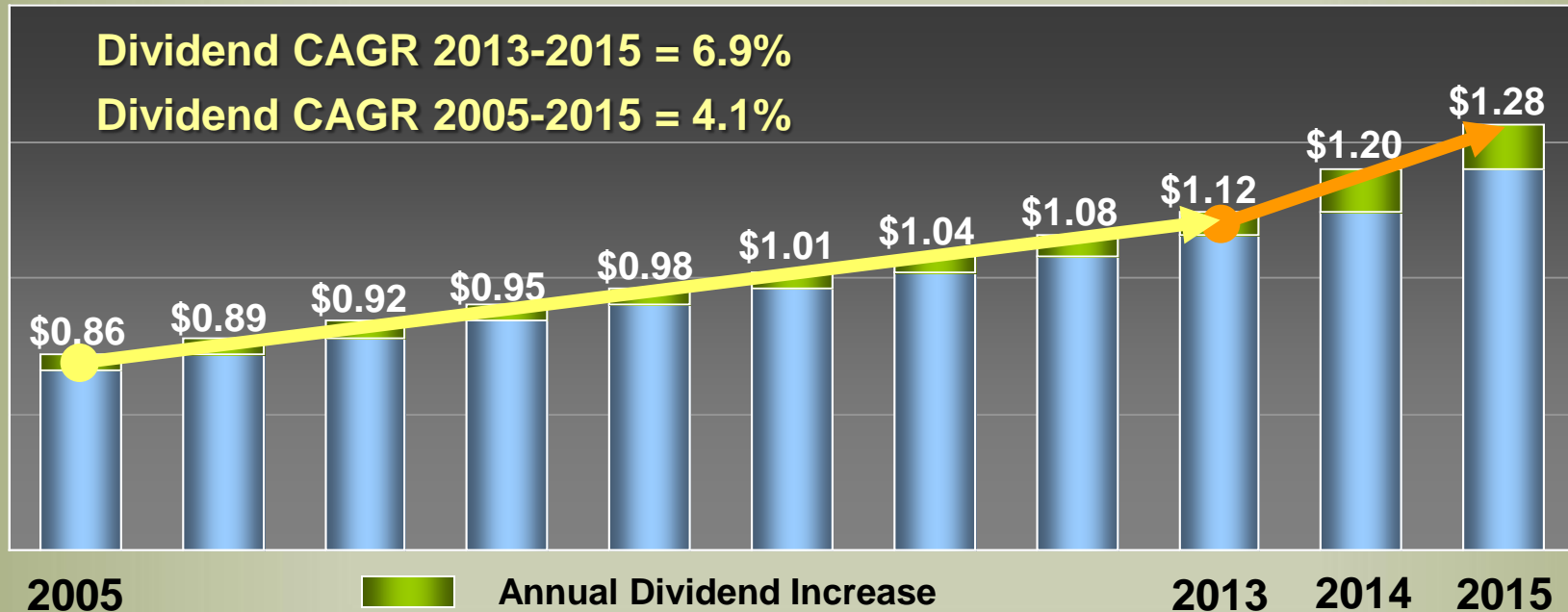
Changes from Proposal:

- Significant improvement for Minnesota and Texas
- Colorado and other states in the same range (except for South Dakota)
- North Dakota will be a challenge



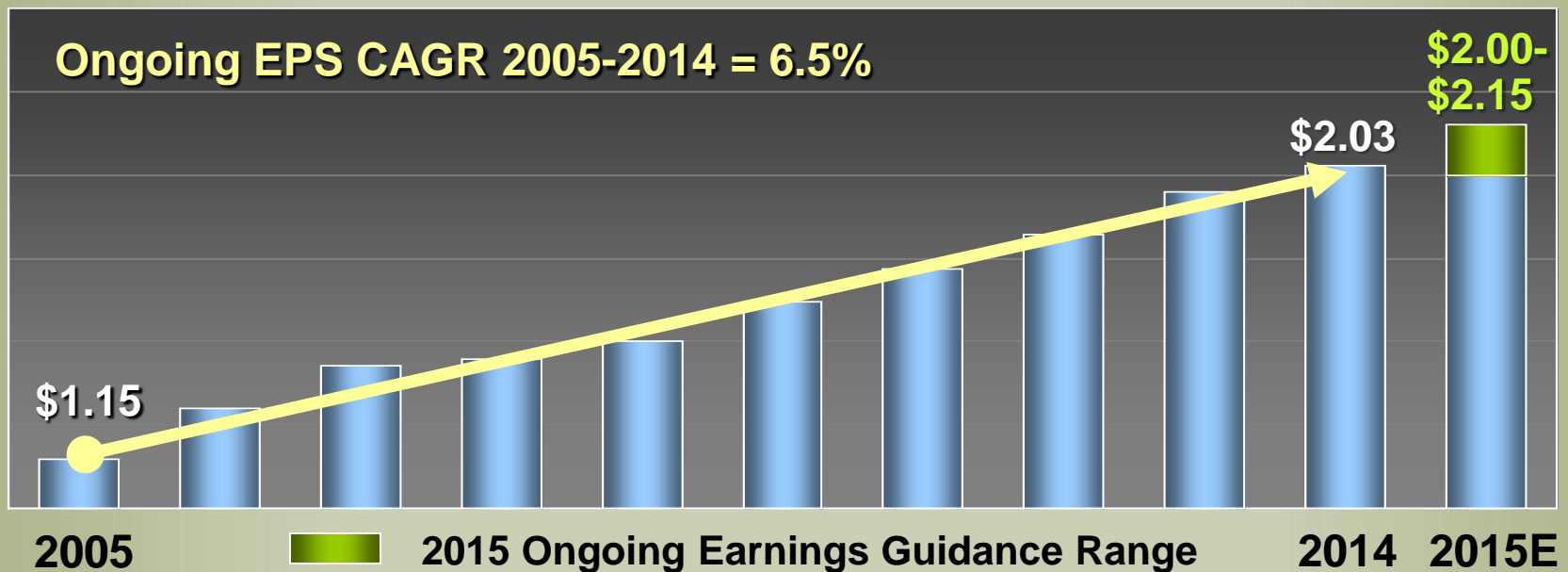
Mass-based targets, existing units only

Proven Track Record Consistent Dividend Growth



Annual Dividend Growth Objective = 5-7%
Dividend Payout Ratio Target = 60-70%

Proven Track Record Consistent Ongoing EPS Growth



Ongoing EPS Annual Growth Objective = 4-6%

** Reconciliation of Ongoing EPS to GAAP EPS included in appendix*

Proven Track Record Delivering on Financial Objectives

EPS Guidance

2005	Achieved	✓
2006	Achieved	✓
2007	Exceeded	✓
2008	Achieved	✓
2009	Achieved	✓
2010	Achieved	✓
2011	Achieved	✓
2012	Achieved	✓
2013	Achieved	✓
2014	Achieved	✓
2015	On Track	



Appendix

Reconciliation – Ongoing EPS to GAAP EPS

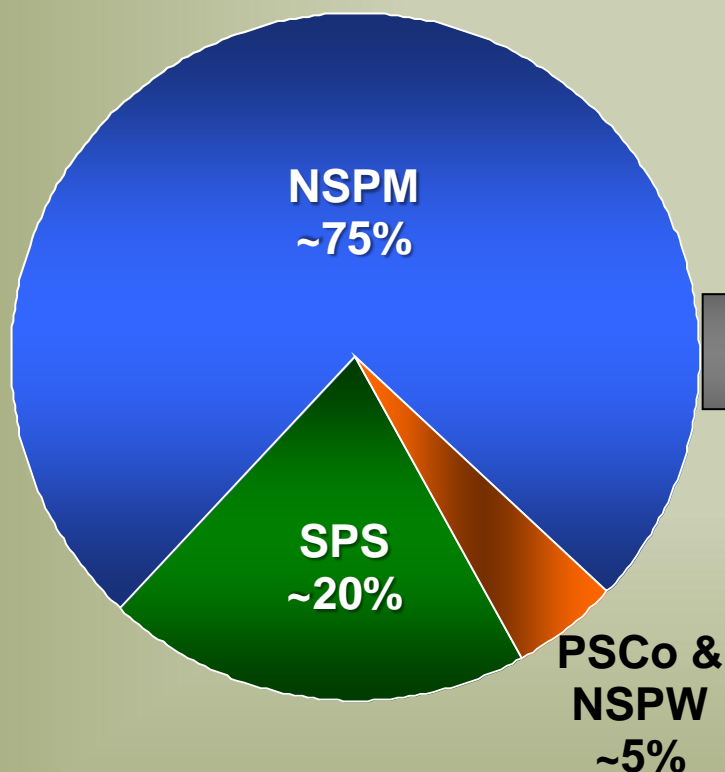
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Ongoing EPS	\$1.15	\$1.30	\$1.43	\$1.45	\$1.50	\$1.62	\$1.72	\$1.82	\$1.95	\$2.03
PSRI-COLI	\$0.05	\$0.05	\$(0.08)	\$0.01	\$(0.01)	\$(0.01)	-	-	-	-
Prescription Drug Tax Benefit	-	-	-	-	-	-	-	\$0.03	-	-
SPS FERC Order	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$(0.04)</u>	<u>-</u>
Cont. Ops	\$1.20	\$1.35	\$1.35	\$1.46	\$1.49	\$1.61	\$1.72	\$1.85	\$1.91	\$2.03
Discont. Ops	<u>\$0.03</u>	<u>\$0.01</u>	<u>-</u>	<u>-</u>	<u>\$(0.01)</u>	<u>\$0.01</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP EPS	\$1.23	\$1.36	\$1.35	\$1.46	\$1.48	\$1.62	\$1.72	\$1.85	\$1.91	\$2.03

Xcel Energy's management believes that ongoing earnings provide a meaningful comparison of earnings results and is representative of Xcel Energy's fundamental core earnings power. Xcel Energy's management uses ongoing earnings internally for financial planning and analysis, for reporting of results to the Board of Directors, and when communicating its earnings outlook to analysts and investors.

Improve Utility Performance

Existing ROE Gap is About 100 bps

Regulatory Lag Contribution by Jurisdiction



Objective

**Close ROE
Gap by 50 bps
by 2018**

Improve Utility Performance

Derive 75% of Revenue from Multi-Year Plans

Jurisdiction	Status	Rate Plan	Percent of Rate Base
Minnesota Electric	Approved	Multi-Year Plan (2014-15)	≈ 35%
Colorado Electric	Approved	Multi-Year Plan (2015-17)	≈ 31%
North Dakota Electric	Approved	Multi-Year Plan (2013-16)	≈ 2%
South Dakota Electric	Approved	Multi-Year Plan (2015-17)	≈ 2%
Colorado Natural Gas	Pending	Multi-Year Plan (2015-17)	≈ 8%

Closing the ROE Gap

Key Opportunity for EPS Growth

2014 Estimated Rate Base	\$20.7 billion	\$20.7 billion	\$20.7 billion
Equity Ratio	54%	54%	54%
ROE Improvement	25 bps	50 bps	75 bps
Net Income	\$28 million	\$56 million	\$84 million
Ongoing EPS	\$0.06	\$0.11	\$0.17

Driving Operational Excellence Bending the Cost Curve

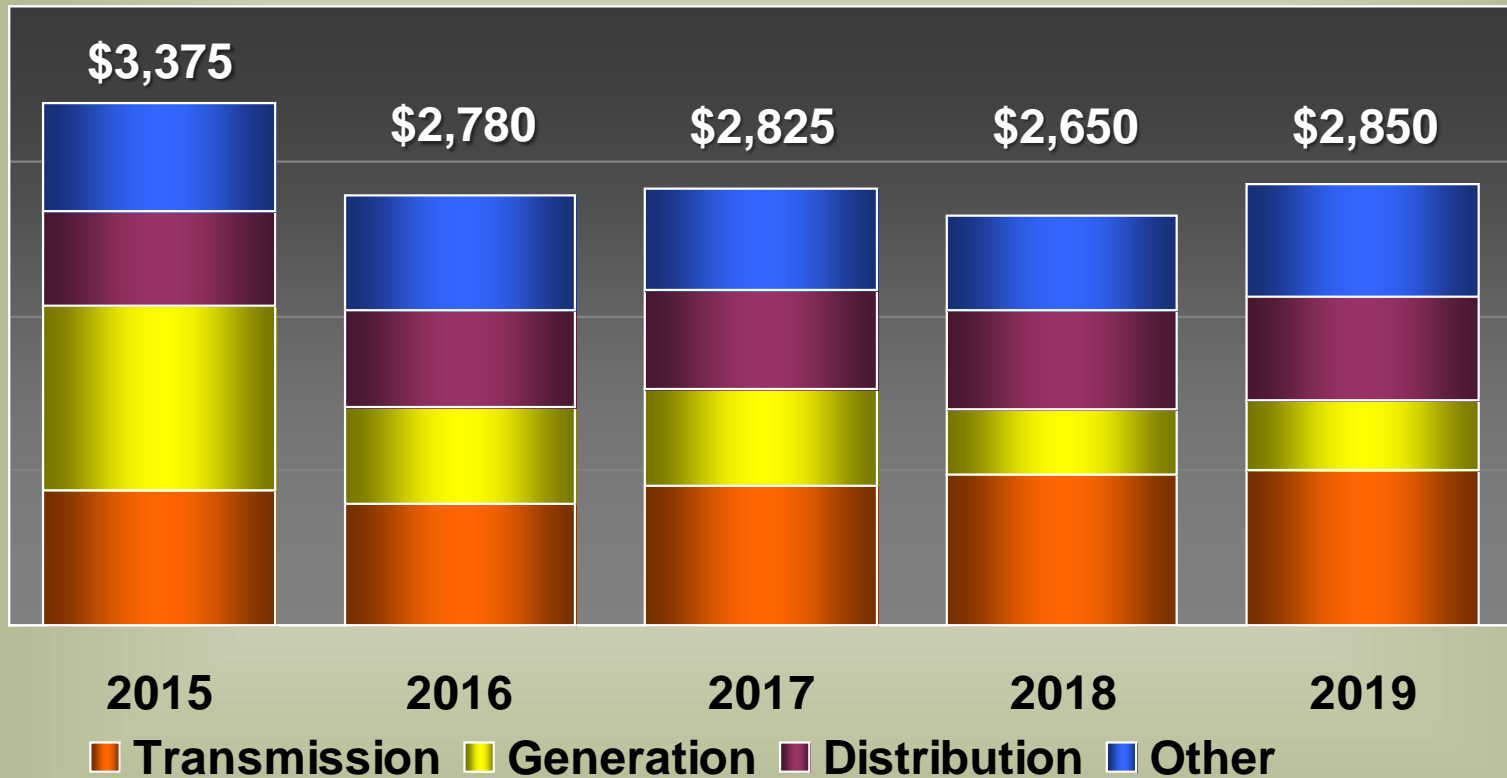
- Sustainable cost control
 - Standardization of processes
 - Optimize purchasing power
 - Technology
- Stabilization of nuclear costs
- Workforce transition
- Proactive maintenance
- Employee benefits programs
- Investing in capital to reduce O&M

Drives

Objective
Annual O&M Growth
0% - 2%

Base Capital Investment Plan Five-Year Total of \$14.5 Billion

Dollars in millions



Capital forecast does not include \$300 million Courtenay wind project

Strong Credit Ratings and Liquidity

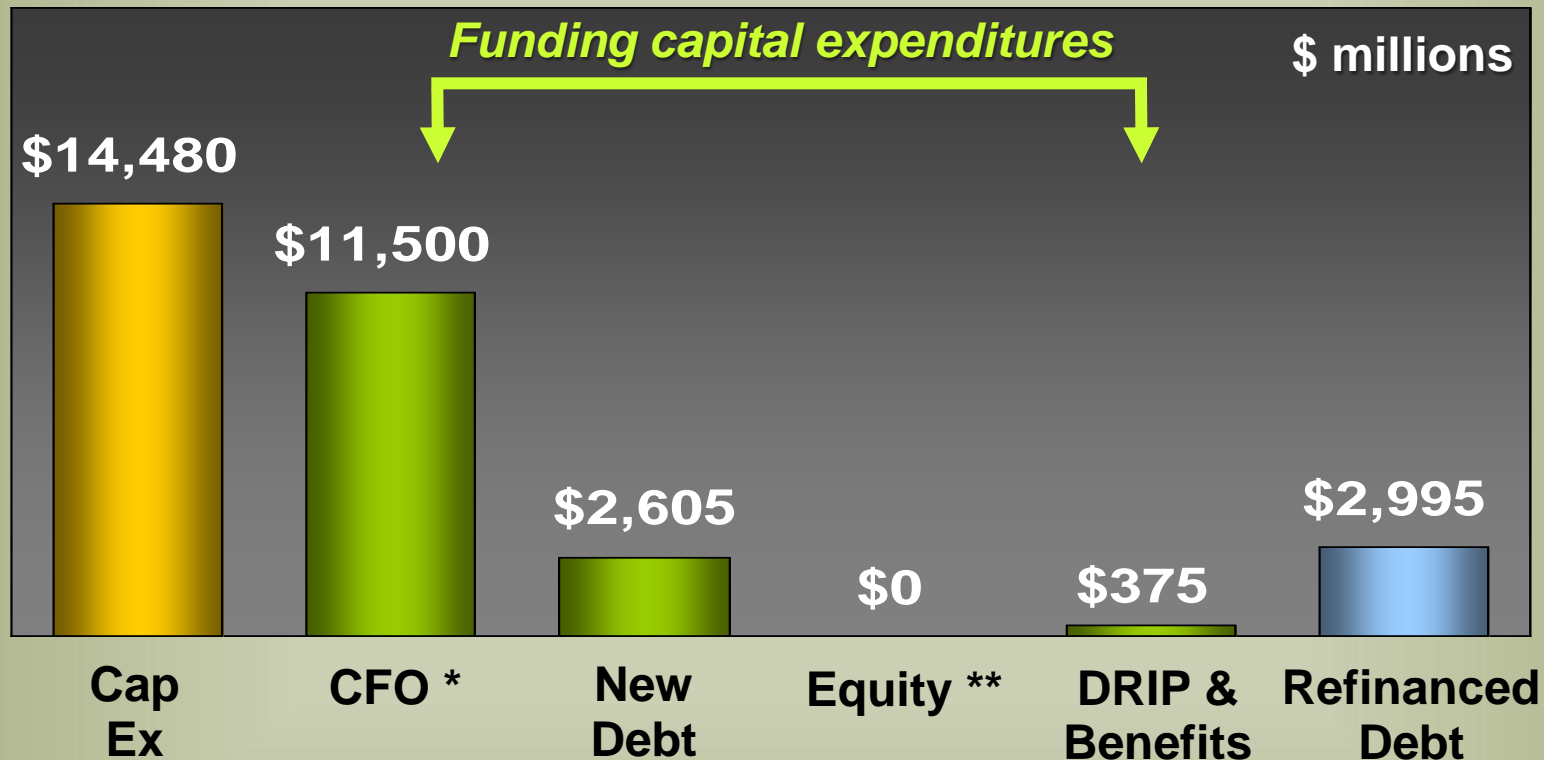
44% equity ratio as of June 30, 2015

\$2.75 billion credit line with a maturity of October 2019

	Moody's *	S&P	Fitch
<i>Xcel Unsecured</i>	A3	BBB+	BBB+
<i>NSPM Secured</i>	Aa3	A	A+
<i>NSPW Secured</i>	Aa3	A	A+
<i>PSCo Secured</i>	A1	A	A+
<i>SPS Secured</i>	A2	A	A-

Modest Financing Needs

Financing Plan 2015-2019



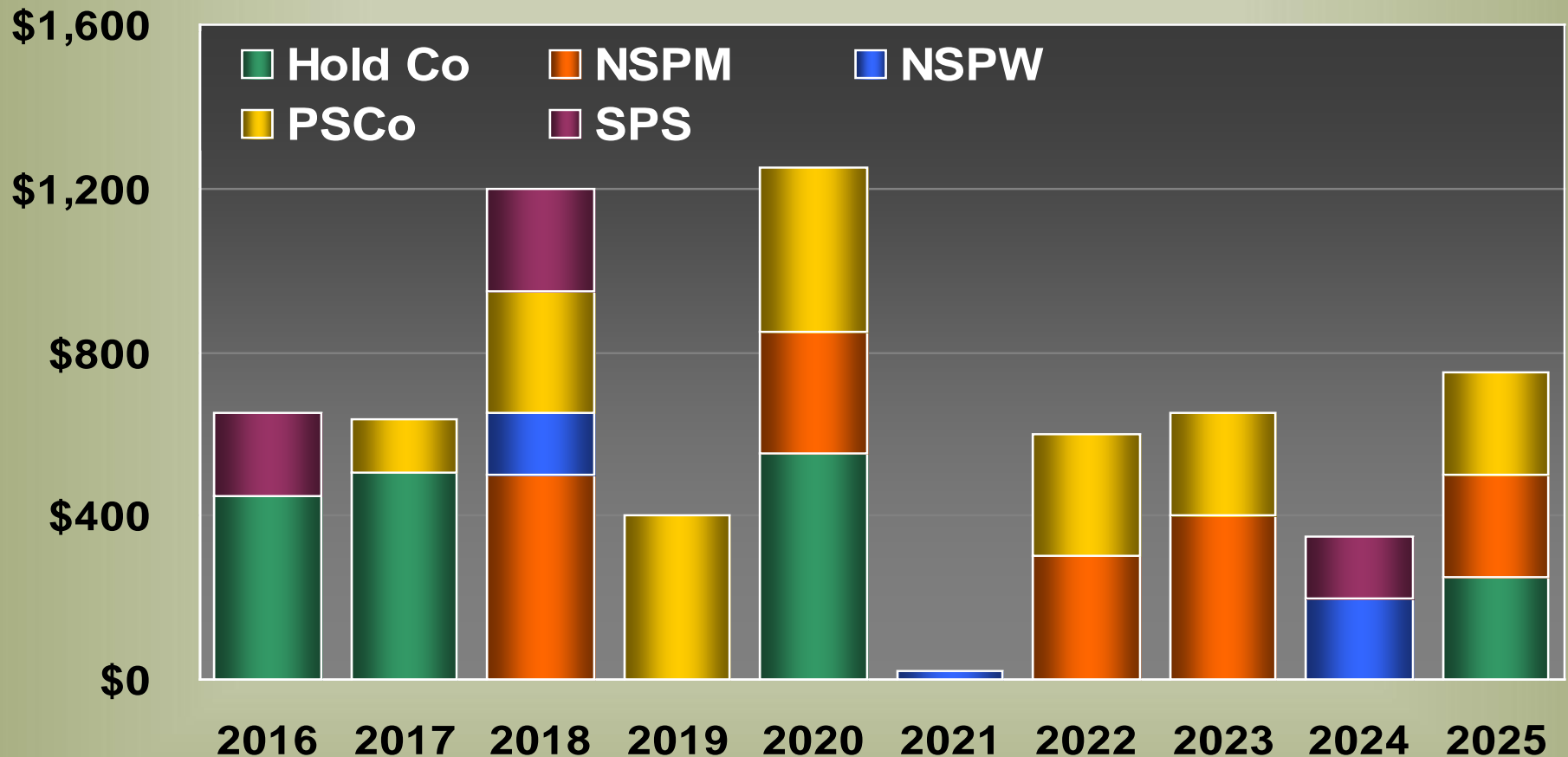
* Cash from operations is net of dividend and pension funding

** No external equity required during 5-year plan

*** Financing plan & capital forecast do not include \$300 million Courtenay project
 Financing plans are subject to change

Manageable Debt Maturities

Dollars in millions



Capital Expenditures by Function

Dollars in millions

	2015	2016	2017	2018	2019	Total
Electric Generation	\$1,190	\$630	\$620	\$415	\$450	\$3,305
Electric Transmission	\$875	\$780	\$905	\$975	\$1,000	\$4,535
Electric Distribution	\$605	\$630	\$640	\$650	\$680	\$3,205
Natural Gas	\$370	\$370	\$305	\$355	\$380	\$1,780
Nuclear Fuel	\$90	\$120	\$120	\$65	\$150	\$545
Other	\$245	\$250	\$235	\$190	\$190	\$1,110
Total	\$3,375	\$2,780	\$2,825	\$2,650	\$2,850	\$14,480

Capital forecast does not include \$300 million Courtenay wind project

Capital Expenditures by Company

Dollars in millions

	2015	2016	2017	2018	2019	Total
NSPM	\$1,625	\$990	\$975	\$845	\$950	\$5,385
PSCO	\$950	\$820	\$815	\$885	\$1,010	\$4,480
SPS	\$570	\$710	\$735	\$595	\$565	\$3,175
NSPW	\$230	\$260	\$300	\$325	\$325	\$1,440
Total	\$3,375	\$2,780	\$2,825	\$2,650	\$2,850	\$14,480

Capital forecast does not include \$300 million Courtenay wind project

Regulatory vs. Authorized ROE - 2014

OPCO	Jurisdiction	Rate Base (\$ millions)	Authorized ROE	W/A Earned ROE	Regulatory Plan
NSPM	MN Electric	\$7,047	9.72%	8.39%	Plan to File 2016 MYP
	MN Gas	453	10.09	9.08	
	ND Electric	454	10.00	8.76	2013-2016 MYP
	ND Gas	48	10.75	11.56	
	SD Electric	474	Black box	6.09	2015-2017 MYP
PSCo	CO Electric	6,277	10.00	10.27*	2015-2017 MYP
	CO Gas	1,661	9.72	7.59	2015-2017 MYP Filed
	PSCo Wholesale	578	***	***	
SPS	TX Electric	1,507	Black box	9.61**	2015 Rate Case
	NM Electric	587	Black box	7.63**	Plan to File Rate Case
	SPS Wholesale	584	****	****	
NSPW	WI Electric	906	10.20	10.19	2016 Rate Case Filed
	WI Gas	98	10.20	11.32	2016 Rate Case Filed
	MI Electric & Gas	24	10.10(e);10.30(g)	6.51%	2015-16 MYP (elec)

* Reflects customer refunds based on earnings test. PSCo earned 11.41% before customer refunds.

** Actual ROE, not weather-normalized.

*** The authorized ROE for PSCo transmission & production formula is 9.72%.

**** The authorized ROE for SPS production formula is 10.5% & 10.25%. The authorized FERC transmission ROE for SPS is 11.27%, which is being challenged at FERC as excessive with current rates subject to refund.

ROE Sensitivity by Operating Company

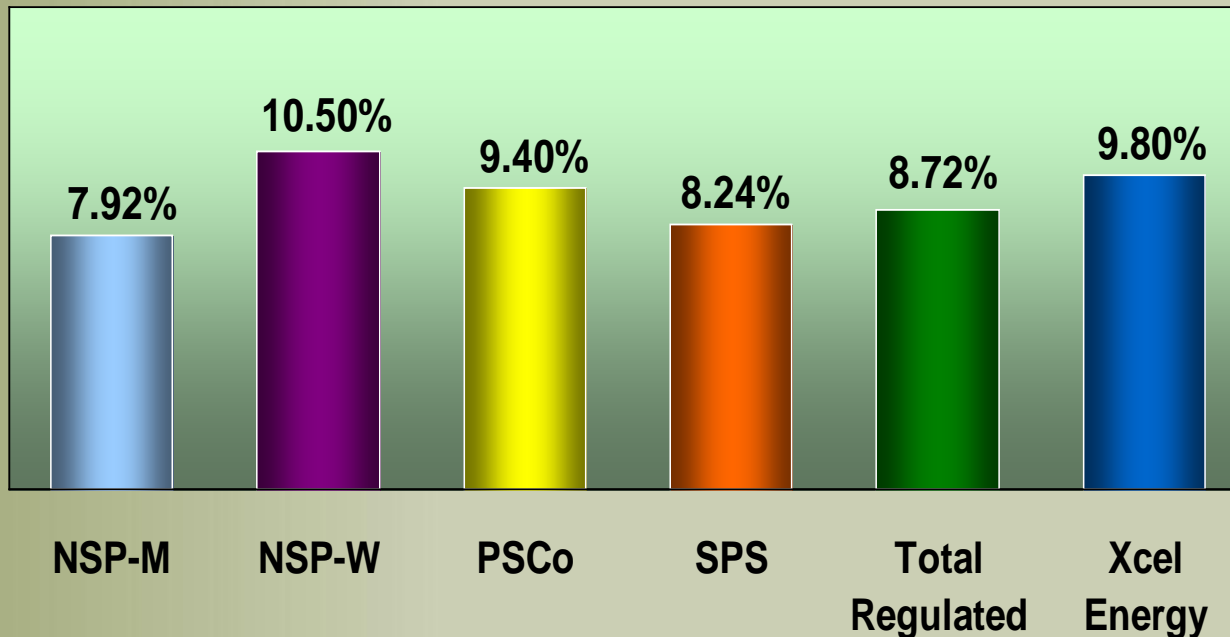
Sensitivity to 100 bps change in ROE

Opco	Jurisdiction	2014 Rate Base (\$ millions)	Revenue Requirement (\$ millions)	EPS
NSPM	MN Electric	\$7,047	\$57	+/- \$0.073
	MN Gas	\$453	\$4	+/- \$0.005
	ND Electric	\$454	\$4	+/- \$0.005
	ND Gas	\$48	\$0	+/- \$0.000
	SD Electric	\$474	\$4	+/- \$0.005
PSCo	CO Electric	\$6,277	\$55	+/- \$0.070
	CO Gas	\$1,661	\$14	+/- \$0.018
	Wholesale	\$578	\$5	+/- \$0.006
SPS	TX Electric	\$1,507	\$13	+/- \$0.016
	NM Electric	\$587	\$5	+/- \$0.006
	Wholesale	\$584	\$5	+/- \$0.006
NSPW	WI Electric	\$906	\$7	+/- \$0.010
	WI Gas	\$98	\$1	+/- \$0.001

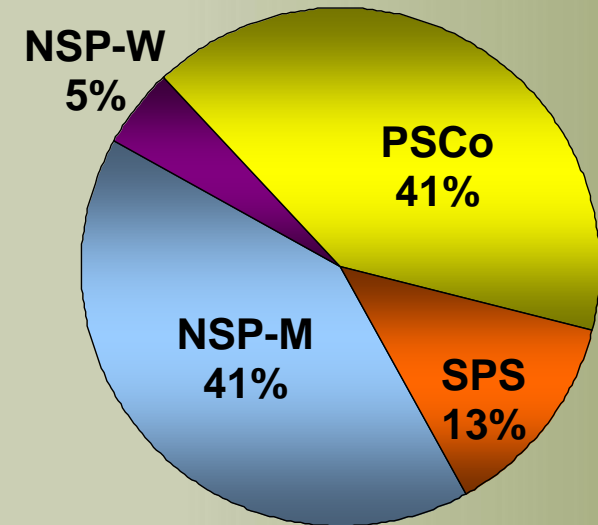
- Assumes authorized equity ratio, a 35% ETR, and 508 million CSE
- Rate base figures obtained from our jurisdictional regulatory filings

ROE Results – Ongoing Earnings

Twelve Months Ended 06/30/2015



2014 Rate Base



- Xcel Energy anticipates the full-year 2015 ROE's for NSP-M, Total Regulated and Xcel Energy will be higher than the Twelve Month Ended ROE's reported in the table above, due to the timing of regulatory reserves associated with the Minnesota rate case during 2014
- Ongoing earnings exclude a \$129 million pre-tax charge for the Monticello EPU project
- GAAP ROEs are 6.42% (NSP-M), 10.07% (NSP-W), 9.05% (Xcel Energy), and 8.10% (Regulated)

Colorado Multi-Year Gas Rate Case

Revised Request	2015	2016	2017
Rate Increase	\$40.5 million	\$14.6 million	\$16.8 million
PSIA Increase	(\$.01) million	\$14.7 million	\$21.7 million
ROE	10.1%	10.1%	10.3%
Rate Base	\$1.26 billion	\$1.31 billion	\$1.36 billion

- Request based on a historic test year and an equity ratio of 56%
- Includes an earnings test proposal (50/50 sharing between 10.2% - 10.6%)
- Requests an extension of the PSIA rider through 2020
- Procedural schedule:
 - Interim rates effective Oct. 1, 2015
 - ALJ recommendation October 2015
 - Final Commission decision No later than Jan. 20, 2016

Texas 2015 Electric Rate Case

- **Seeking a revised 2015 electric rate increase of \$42 million (4.4%)**
 - **Based on a June 2014 historic test year with known and measurable adjustments**
 - **ROE of 10.25% and equity ratio of 53.97%**
 - **Electric rate base of \$1.56 billion**
- **Includes \$392 million post-test year investment**
- **Parties have agreed rates will become effective June 2015**
- **A Texas Commission decision is anticipated in 2015**

Wisconsin 2016 Electric & Natural Gas Rate Case

- Seeking a 2016 electric rate increase of \$27.4 million (3.9%) and a natural gas rate increase of \$5.9 million (5.0%).
 - Based on a 2016 forecast test year
 - ROE of 10.2%
 - Equity ratio of 52.5%
 - Electric rate base of \$1.2 billion
 - Natural gas rate base of \$111.2 million
- Procedural schedule:
 - Intervenor testimony - October 1, 2015
 - Hearings - October 29, 2015
 - Commission decision - December 2015
 - Rates expected to go into effect in January 2016

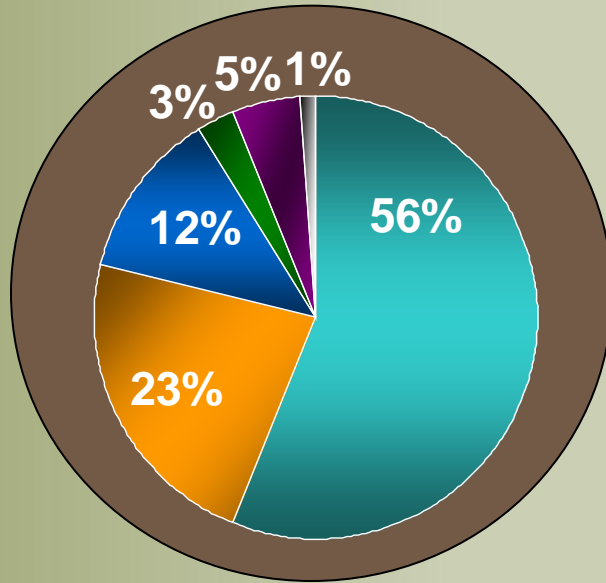
New Mexico 2016 Electric Rate Case

- **SPS filed a New Mexico electric rate case for 2016:**
 - Requested base rate increase of \$31.5 million
 - Partially offset by base fuel decline of \$30.1 million
 - Requested ROE of 10.25% and equity ratio of 53.97%
 - Rate base of \$778 million
 - 2016 forecast test year
- **In June 2015, SPS' rate case was dismissed by the NMPRC, based its' interpretation that SPS' filing did not comply with the statute regarding FTY periods and timing of a rate case submission**
- **SPS has appealed the dismissal to the New Mexico Supreme Court**
- **SPS plans to refile the rate case later this year**

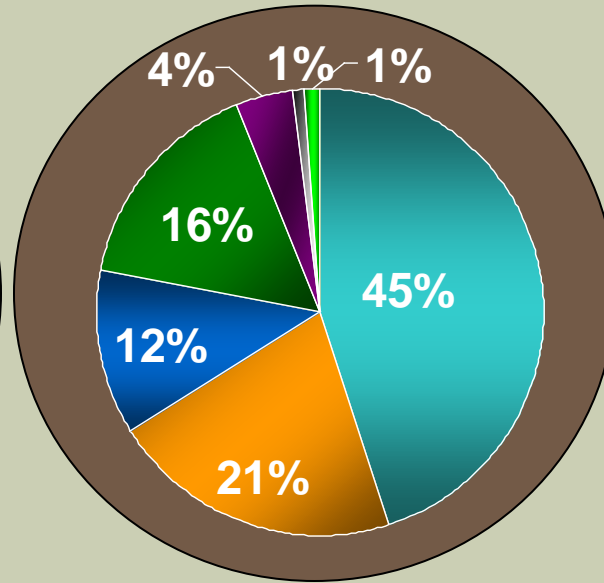
Proactive Environmental Leadership

Fuel Mix Based on Energy

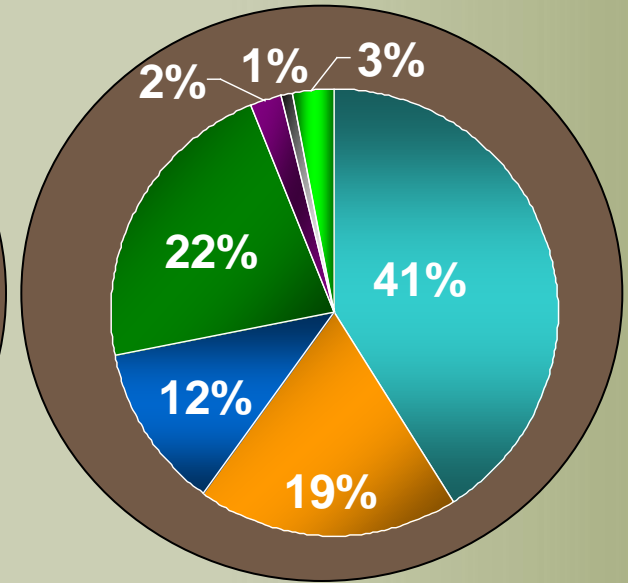
2005



2014



2020



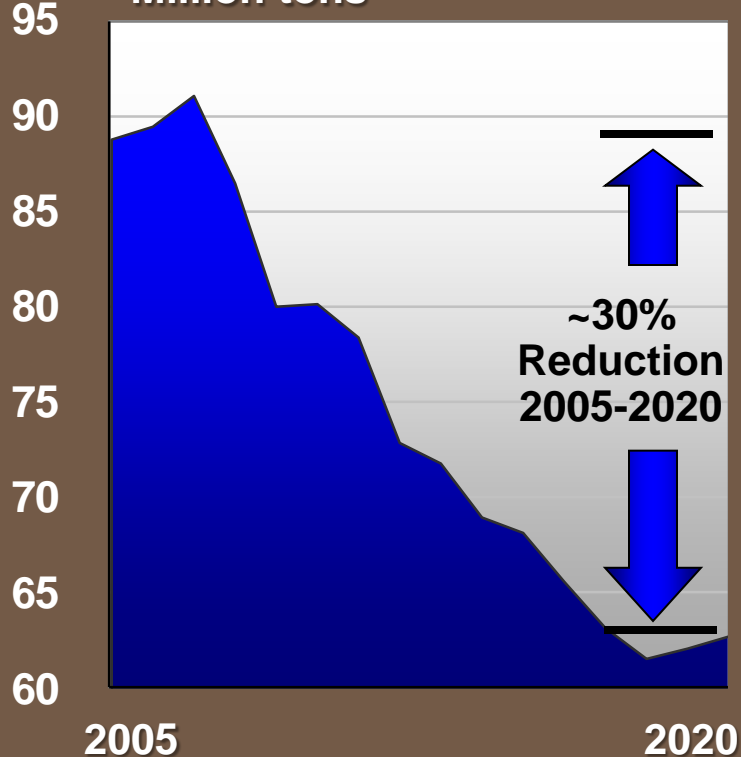
 Coal  Natural Gas  Nuclear  Wind  Solar  Hydro  Other

Proactive Environmental Leadership

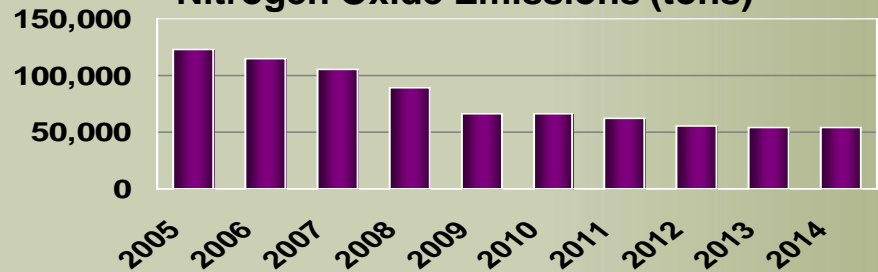
Emission Reductions

CO2 Emissions

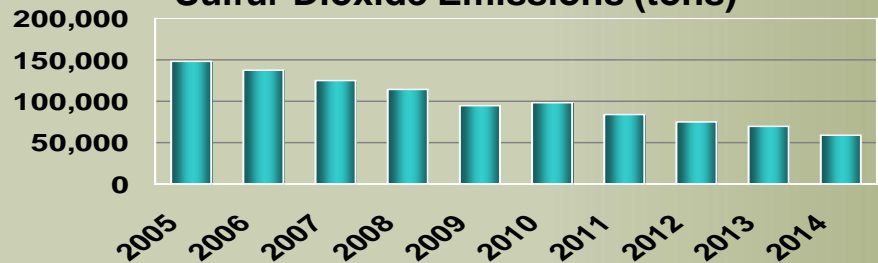
Million tons



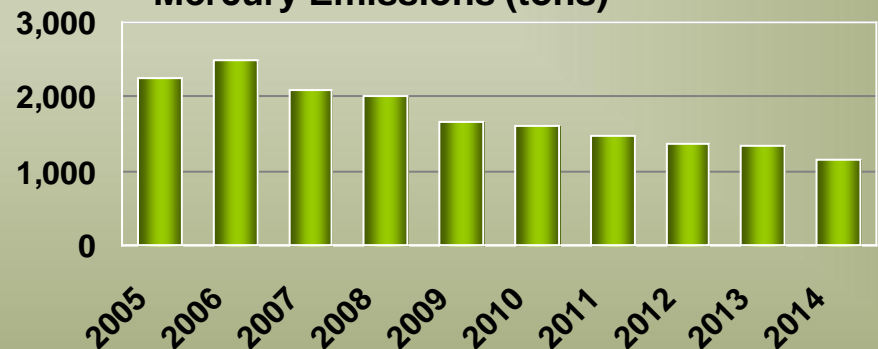
Nitrogen Oxide Emissions (tons)



Sulfur Dioxide Emissions (tons)



Mercury Emissions (tons)

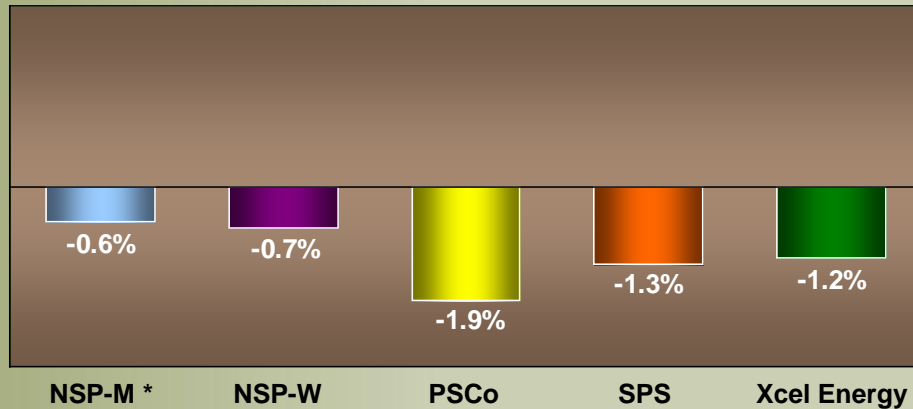


Minnesota Resource Plan Filing

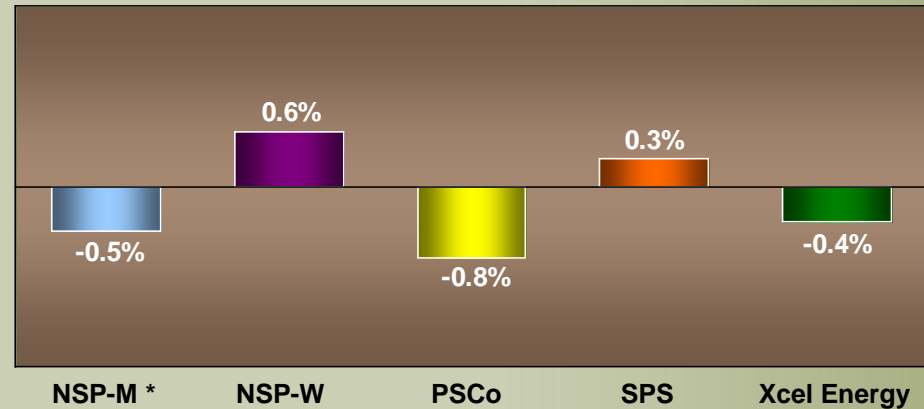
- In January 2015, NSP filed its resource plan
- Plan lowers carbon emissions by 40% by 2030
 - 600 MW of wind by 2020 and 1,200 MW by 2027
 - 187 MW of large scale solar by 2016 and 1,700 MW by 2030
 - 500 MW of customer-driven, small-scale solar
 - 1,750 MW of new natural gas capacity
 - Run Sherco Units 1 & 2 with decreasing reliance through 2030
- A commission decision is expected in 2016

Economic, Sales & Customer Data

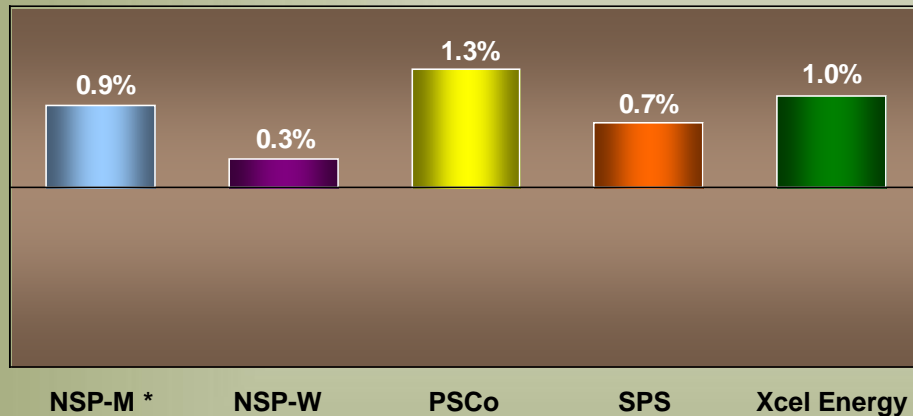
2015 Q2 W/A Electric Sales Growth



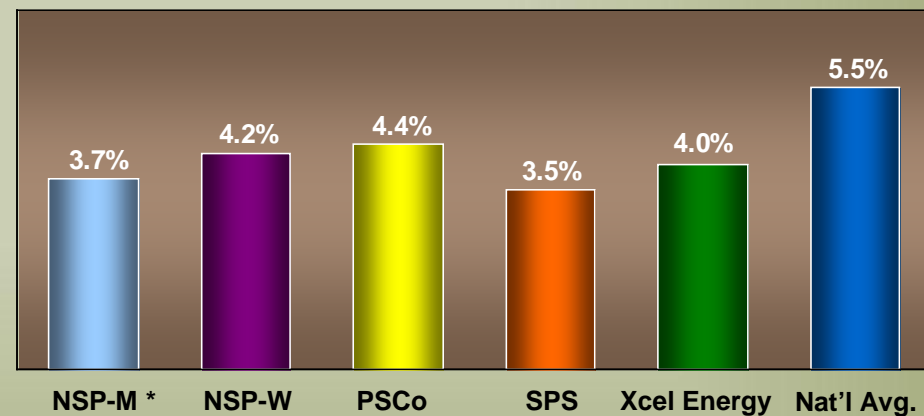
2015 YTD W/A Electric Sales Growth



2015 Q2 YoY Customer Growth

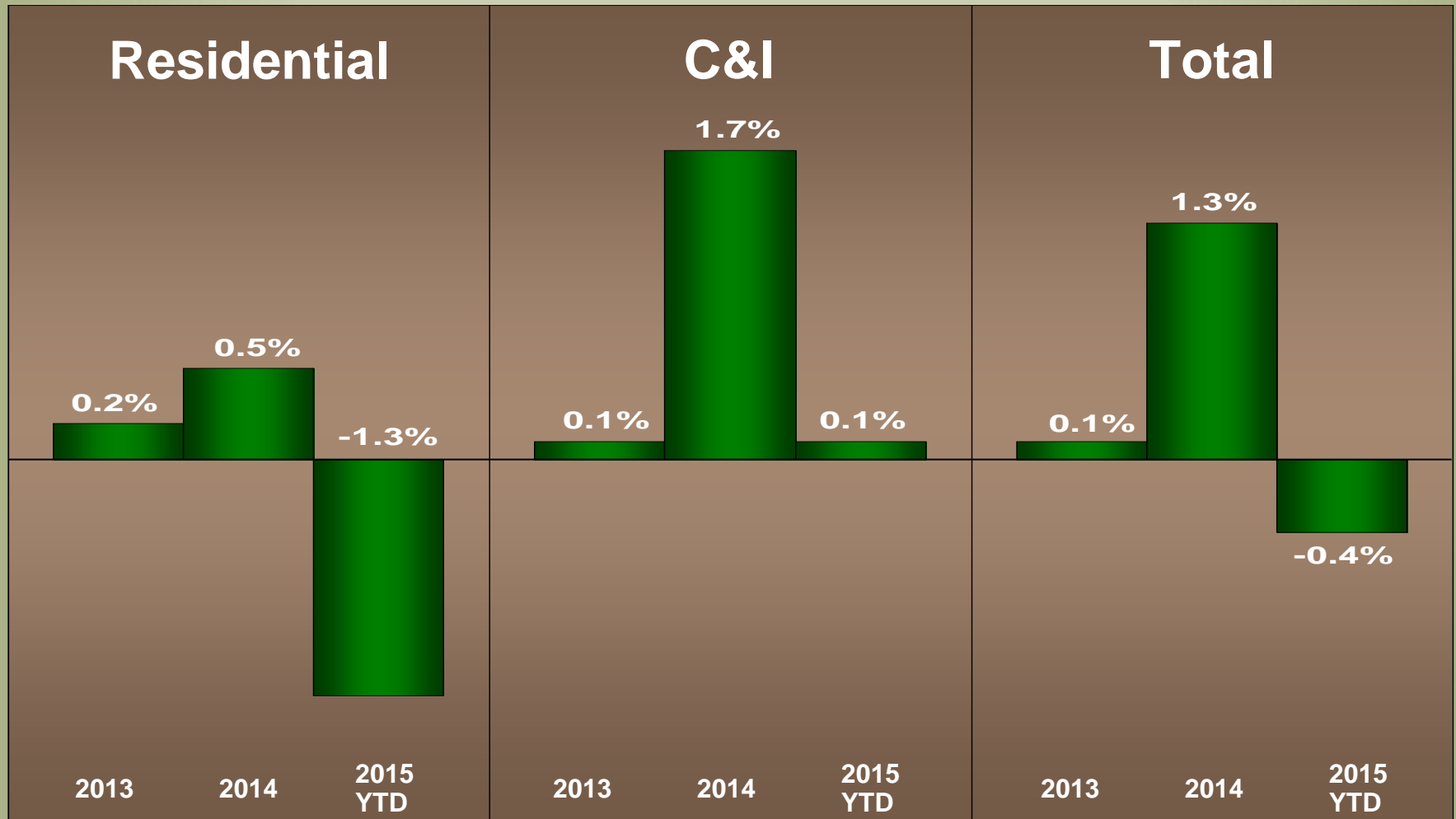


June Unemployment



** Pilot 3-year decoupling for residential and small C&I beginning January 2016*

Xcel Energy W/A Electric Sales Growth



2015 YTD = Six months ended June 30, 2015

