

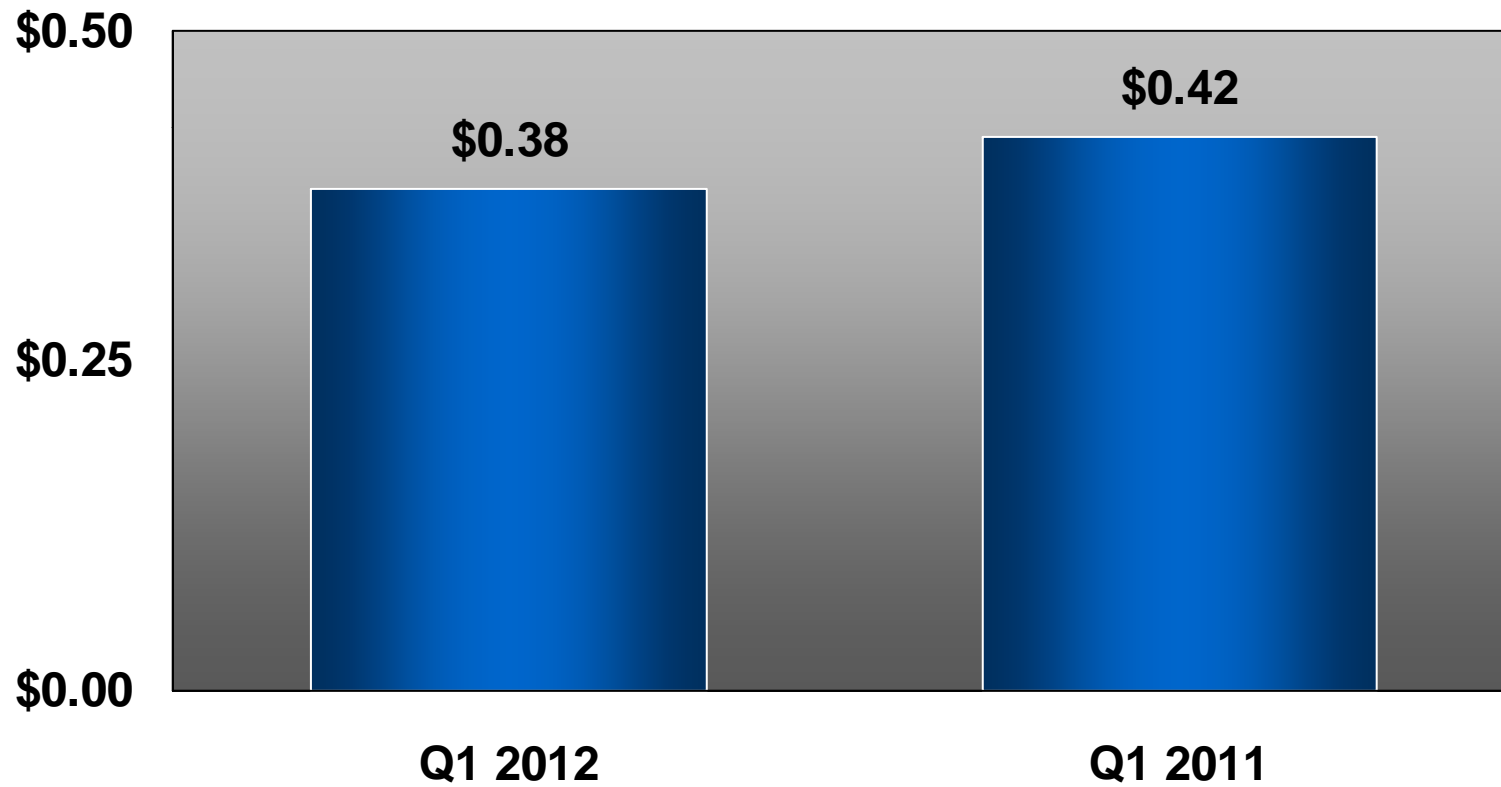


First Quarter 2012 Earnings Release Presentation

April 26, 2012



Earnings Per Share





Business Update

- **Regulatory**
- **Prairie Island uprate**
- **Transmission**
- **Environmental**
- **Natural gas prices**



EPS Results

	<u>First Quarter</u>	
	<u>2012</u>	<u>2011</u>
PSCo	\$ 0.19	\$ 0.20
NSP-MN	0.16	0.19
NSP-WI	0.03	0.03
SPS	0.02	0.02
Equity earnings	0.01	0.01
Regulated utility – cont. ops.	<u>0.41</u>	<u>0.45</u>
Holding company and other	<u>(0.03)</u>	<u>(0.03)</u>
GAAP Earnings Per Share	\$ 0.38	\$ 0.42



EPS Change from Prior Year

	<u>First Quarter</u>
2011 GAAP EPS	\$ 0.42
Lower electric margins	(0.03)
Lower natural gas margins	(0.02)
Higher interest charges	(0.01)
Higher taxes (other than income taxes)	(0.01)
Lower effective tax rate	0.03
Lower conservation and DSM expense	0.01
Other, net	(0.01)
2012 GAAP EPS	<u>\$ 0.38</u>



Electric Margin Change from Prior Year

Dollars in millions

**First Quarter
2012 vs. 2011**

Estimated impact of weather	\$ (22)
Firm wholesale	(11)
Conservation and DSM revenue (offset by expenses)	(4)
Transmission revenue, net of costs	5
Retail & interim rate increases (MN, TX, NM, SD, ND, WI, MI)	5
Sales mix and demand revenue	2
Conservation and DSM incentive	2
Other, net	(2)
Total Electric Margin Decrease	\$ (25)



Natural Gas Margin Change from Prior Year

Dollars in millions

First Quarter 2012 vs. 2011

Estimated impact of weather	\$ (21)
Conservation and DSM revenue (offset by expenses)	(9)
Retail rate increase (CO, WI)	3
Pipeline system integrity adjustment (CO)	3
Return on PSCo gas in storage	2
Conservation and DSM incentive	1
Other, net	2
Total Natural Gas Margin Decrease	\$ (19)



O&M Expenses Change from Prior Year

Dollars in millions

**First Quarter
2012 vs. 2011**

Higher plant generation costs	\$ 6
Pipeline system integrity costs	3
Lower consulting costs	(3)
Lower employee benefit expense	(2)
Other, net	<u>(3)</u>
Total O&M Expense Increase	\$ 1



2012 Financing Plans

- **NSP-Minnesota: Approximately \$800 million of FMB in Q3**
- **PSCo: Approximately \$750 million of FMB in Q3**
- **SPS: Approximately \$100 million of FMB in first half of year**
- **NSP-Wisconsin: Approximately \$100 million of FMB in second half of year**

Financing plans are subject to change, depending on capital expenditures, internal cash generation, market conditions and other factors



Regulatory Update

■ Ongoing Regulatory Proceedings:

- **Minnesota property tax deferral – Request deferral of incremental 2012 property taxes (current estimate of \$24 million); decision expected in Q2**
- **South Dakota electric – Request of \$14.6 million; interim rates of \$12.7 million implemented in January with a final decision expected in the summer of 2012**

■ Rate Case Settlements:

- **Colorado electric – A settlement was reached for an annual rate increase of \$73 million in 2012 with an additional \$16 million in 2013 and \$25 million in 2014. The settlement agreement reflects a 10% ROE and a 56% equity ratio. The settlement is pending a commission decision.**
- **Colorado wholesale – An unopposed settlement was reached for an annual rate increase of \$7.8 million with ROE's ranging from 10.1% to 10.4%.**
- **Minnesota electric – A settlement was reached for a rate increase of \$58 million in 2011 with an additional \$14.8 million in 2012. The settlement agreement reflects a reduction to depreciation expense and rate request of \$30 million. The settlement was approved by the MPUC in March; a written order is pending.**



Earnings Guidance

Dollars per share

EPS Range

2012 EPS

\$1.75 – \$1.85 *

** Anticipate 2012 earnings to be in the lower half of the guidance range*