

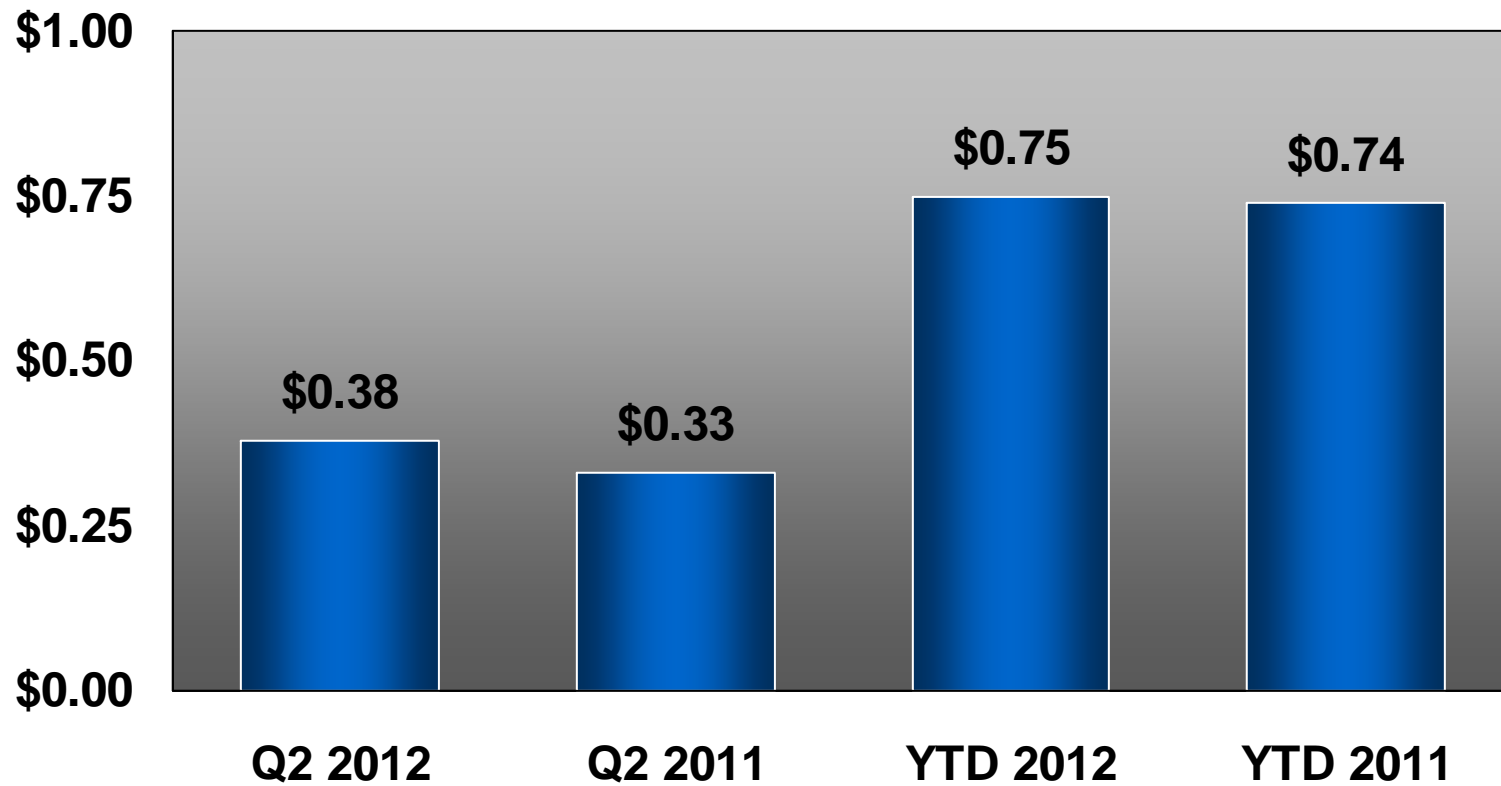


Second Quarter 2012 Earnings Release Presentation

August 2, 2012



Earnings Per Share





EPS Results

	<u>Second Quarter</u>		<u>YTD</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
PSCo	\$ 0.20	\$ 0.15	\$ 0.39	\$ 0.35
NSP-Minnesota	0.13	0.13	0.29	0.32
SPS	0.06	0.05	0.08	0.07
NSP-Wisconsin	0.01	0.02	0.04	0.05
Equity earnings	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.02</u>
Regulated utility	0.41	0.36	0.82	0.81
Holding company and other	<u>(0.03)</u>	<u>(0.03)</u>	<u>(0.07)</u>	<u>(0.07)</u>
Total GAAP EPS	0.38	0.33	0.75	0.74



EPS Change from Prior Year

	<u>Second Quarter</u>	<u>YTD</u>
2011 GAAP EPS	\$ 0.33	\$ 0.74
Higher electric margins	0.05	0.02
Lower conservation and DSM expenses	0.01	0.02
Higher interest charges	(0.01)	(0.02)
Higher taxes (other than income taxes)	(0.01)	(0.02)
Lower effective tax rate	-	0.03
Lower natural gas margins	-	(0.02)
Other, net	<u>0.01</u>	<u>-</u>
2012 GAAP EPS	\$ 0.38	\$ 0.75



Electric Margin Change from Prior Year

Dollars in millions	Second Quarter <u>2012 vs. 2011</u>	YTD <u>2012 vs. 2011</u>
Retail rate increases (CO, TX, NM, WI, SD, MI, ND & MN)	\$ 25	\$ 31
Estimated impact of weather	21	(3)
Transmission revenue, net of costs	4	9
Demand revenue	4	8
Conservation and DSM incentive	3	5
Firm wholesale	(11)	(22)
Conservation and DSM revenue, offset by expenses	(3)	(7)
Other, net	1	(2)
Total Electric Margin Increase	<u>\$ 44</u>	<u>\$ 19</u>



Gas Margin Change from Prior Year

Dollars in millions	Second Quarter <u>2012 vs. 2011</u>	YTD <u>2012 vs. 2011</u>
Pipeline system integrity adjustment rider (CO)	\$ 8	\$ 11
Retail rate increases (CO and WI)	6	9
Return on PSCo gas in storage	1	4
Estimated impact of weather	(7)	(28)
Conservation and DSM revenue, partially offset by exp's	(3)	(12)
Other, net	(3)	(1)
Total Natural Gas Margin Increase (Decrease)	\$ 2	\$(17)



2012 Financing Plans

- **Issued:**
 - **SPS \$100 million of FMB in June 2012 with a 4.5% coupon**
- **Planned:**
 - **NSP-Minnesota: Approximately \$800 million of FMB in Q3**
 - **PSCo: Approximately \$800 million of FMB in Q3**
 - **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



Pending Rate Cases

- **Wisconsin electric and gas**
 - Request of \$39.1 million for electric and \$5.3 million for gas
 - The electric case was based on a 2013 forecast test year, electric rate base of \$789 million, 10.4% ROE and a 52.5% equity ratio.
 - A decision is expected in Q4
- **South Dakota electric**
 - Request of \$19.4 million
 - Based on a 2011 historic test year adjusted for known and measurable items, a rate base of \$368 million, 10.65% ROE and a 52.89% equity ratio
 - A decision is expected in late 2012 or early 2013



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*