



Report to Shareholders

Dear shareholders: After an eventful and successful year, we are pleased to report that the company delivered 2013 ongoing earnings of \$1.95 per share, compared with \$1.82 per share in 2012. That means we achieved the top end of our earnings guidance, and it represents the ninth consecutive year that we have delivered earnings within our guidance range. You'll also recall that we raised the dividend in 2013, representing the tenth consecutive year we have achieved that goal.

Rate increases in various states, the impact of weather and reduced interest charges contributed to the earnings increase. Higher operating and maintenance costs, depreciation and property taxes partially offset our results.

Looking back on 2013, we are especially proud of the commitment to customers that Xcel Energy employees demonstrated again and again. A series of severe weather events, including blizzards, ice storms, thunderstorms and floods, brought out the company's best efforts. Because we were well prepared, we met all of our customer energy requirements with minimal disruptions.

We also completed several major construction projects, including an effort to extend the life of our Monticello nuclear plant and replace steam generators at our Prairie Island nuclear plant. Our Sherco 3 coal-fired unit is back in service after sustaining major damage in 2011 during turbine testing following a maintenance outage.

Another major focus in 2013 was our ongoing work to increase the strength and reliability of the electric energy grid. We are making significant investments to ensure the system is ready to accommodate renewable energy, interact with new technologies and withstand major weather events. A strong energy grid ensures that we are able to meet the growing and changing energy needs of our customers.

We are set to increase our future wind production by 40 percent, and given the current price of wind energy this is an excellent way to protect our customers from rising fuel costs. The American Wind Energy Association (AWEA) recognized our efforts to promote wind production when AWEA named us Utility of the Year. We obviously appreciate that designation but are particularly satisfied that we've determined how to make wind energy an affordable option for customers.

In another effort that leverages our environmental leadership for customer gain, we were able to announce in 2013 that we are on track to exceed our goal of reducing carbon emissions from our power plants 20 percent by 2020, compared with 2005 levels. We are well positioned on this front in part because we acted early in converting and



Xcel Energy plans to increase future wind production by 40 percent.

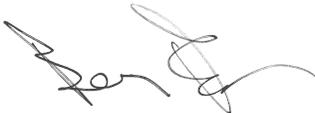
refurbishing power plants and because we have such a solid portfolio of renewable energy sources.

With a successful 2013 behind us, we are ready to make 2014 another good year. Our focus will be on ensuring that Xcel Energy is the energy provider that our customers prefer and value. We have initiatives under way to achieve productivity improvements through technology and to leverage employee engagement. We will continue our efforts to strengthen the energy grid, build our portfolio of renewable energy resources and reduce emissions from our plants.

All of our efforts, of course, build value for you. Given a successful 2013 and a promising 2014, we are reaffirming our earnings guidance of \$1.90 to \$2.05 per share. Our credit ratings remain strong, we will continue to make smart investments and we will pursue regulatory adjustments to make future rate increases less disruptive for customers. It all adds up to a premium company well-positioned for the future.

We appreciate your continued trust in us.

Sincerely,



Ben Fowke
Chairman, President and CEO

xcelenergy.com | © 2014 Xcel Energy Inc. | Xcel Energy is a registered trademark of Xcel Energy Inc. | Northern States Power Company-Minnesota, Northern States Power Company-Wisconsin, Public Service Company of Colorado and Southwestern Public Service Company, Xcel Energy Companies. | 14-01-025

IMPORTANT INFORMATION FOR SHAREHOLDERS

The 2013 1099-DIV forms began mailing to shareholders on Jan. 17, 2014. Contact Wells Fargo at 1-877-778-6786 if you do not receive your 2013 tax forms by Feb. 6, 2014.

Wells Fargo shareowner services features online account management through Shareowner Online. Shareowner Online is the fast, easy and secure way to manage your account. Enroll in the Direct Stock Purchase Plan; make transactions or change your account; purchase or sell stock; get tax information and forms; review and print your record of transactions and much more, quickly and conveniently. Begin by visiting **shareowneronline.com**.

If you receive a dividend by check each quarter, consider signing up for direct deposit of your dividend. Your dividend payment will be deposited into the authorized bank account on the dividend payable date, which eliminates inconveniences due to late or lost mail. You may request a direct deposit authorization form by calling Wells Fargo Shareowner Services at **1-877-778-6786**.

If you currently hold certificated shares, consider depositing them into book entry at Wells Fargo and avoid the cost of certificate replacement due to loss, theft or destruction. To deposit your certificate(s) into book entry, send original certificate(s), including a letter of instructions, to Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, Mendota Heights, Minn. 55120. You will receive a confirmation of the deposit from Wells Fargo.

To view this report on line, go to **xcelenergy.com**, Investors, Stock Information, Shareholder Information.