



# Well Positioned for the Future

**Goldman Sachs Conference  
August 12, 2014**

# Safe Harbor

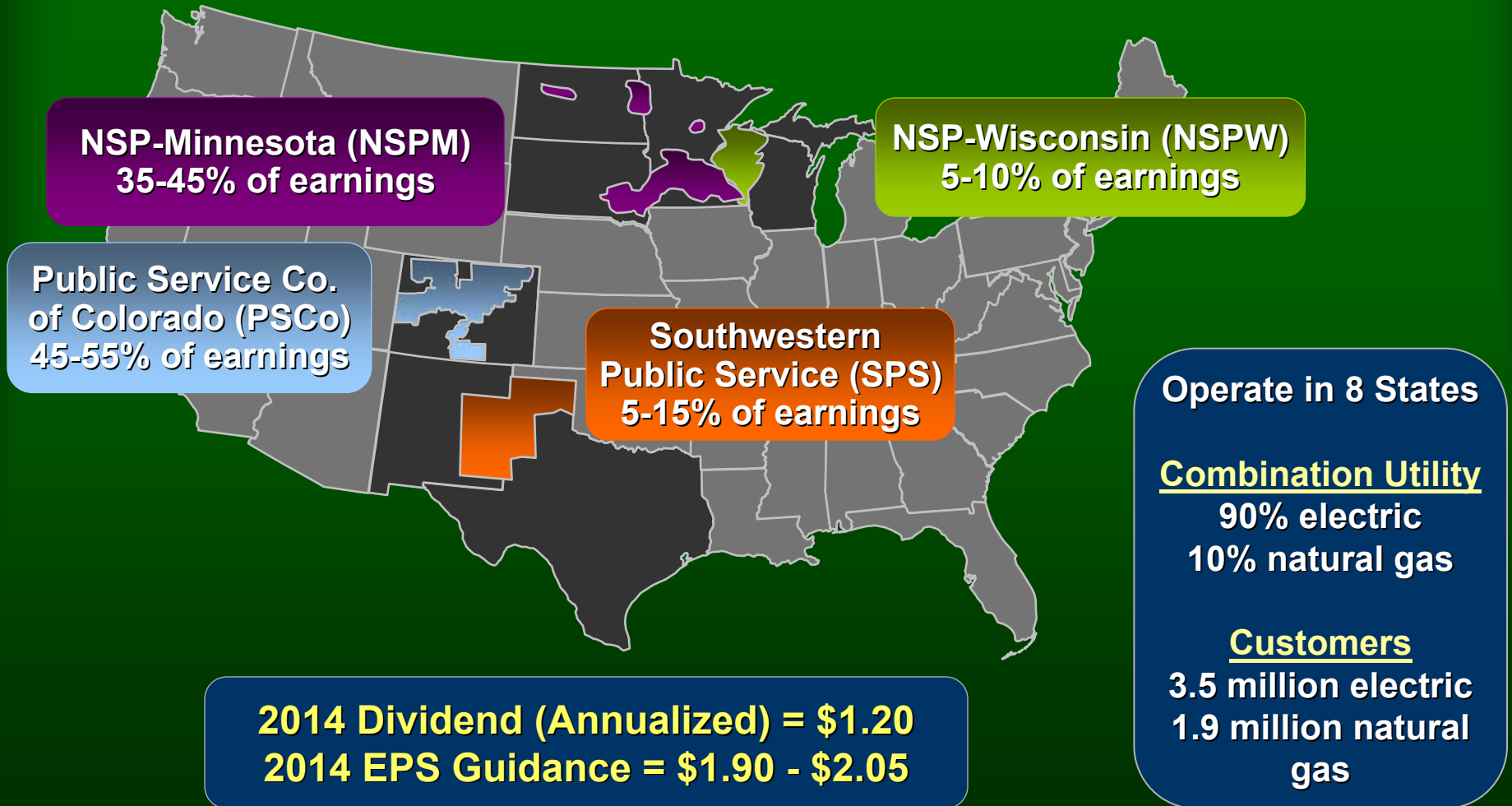
Except for the historical statements contained in this release, the matters discussed herein, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including our 2014 earnings per share guidance and assumptions, are intended 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, 2013 and Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2014.

# Well Positioned for the Future

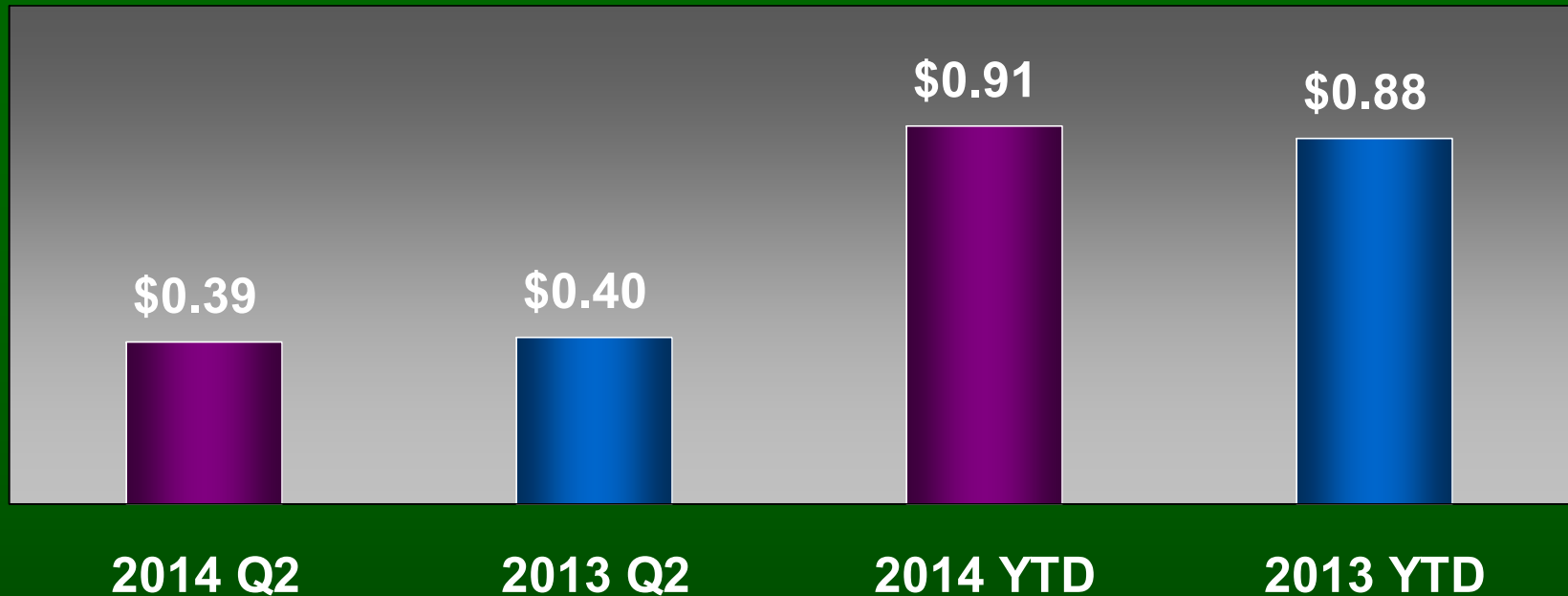
- Strong 2014 outlook
- Low risk cap ex growth plan with minimal equity needs
- Establishing TransCo to compete for transmission
- Pursuing regulatory certainty through multi-year plans
- Operational excellence - bending the cost curve
- Proactive environmental leadership
- Attractive total return
  - EPS growth of 4% – 6% \*
  - Dividend growth of 4% – 6%

*\* Based off a normalized 2013 EPS of \$1.90*

# Fully Regulated, Diverse Utility



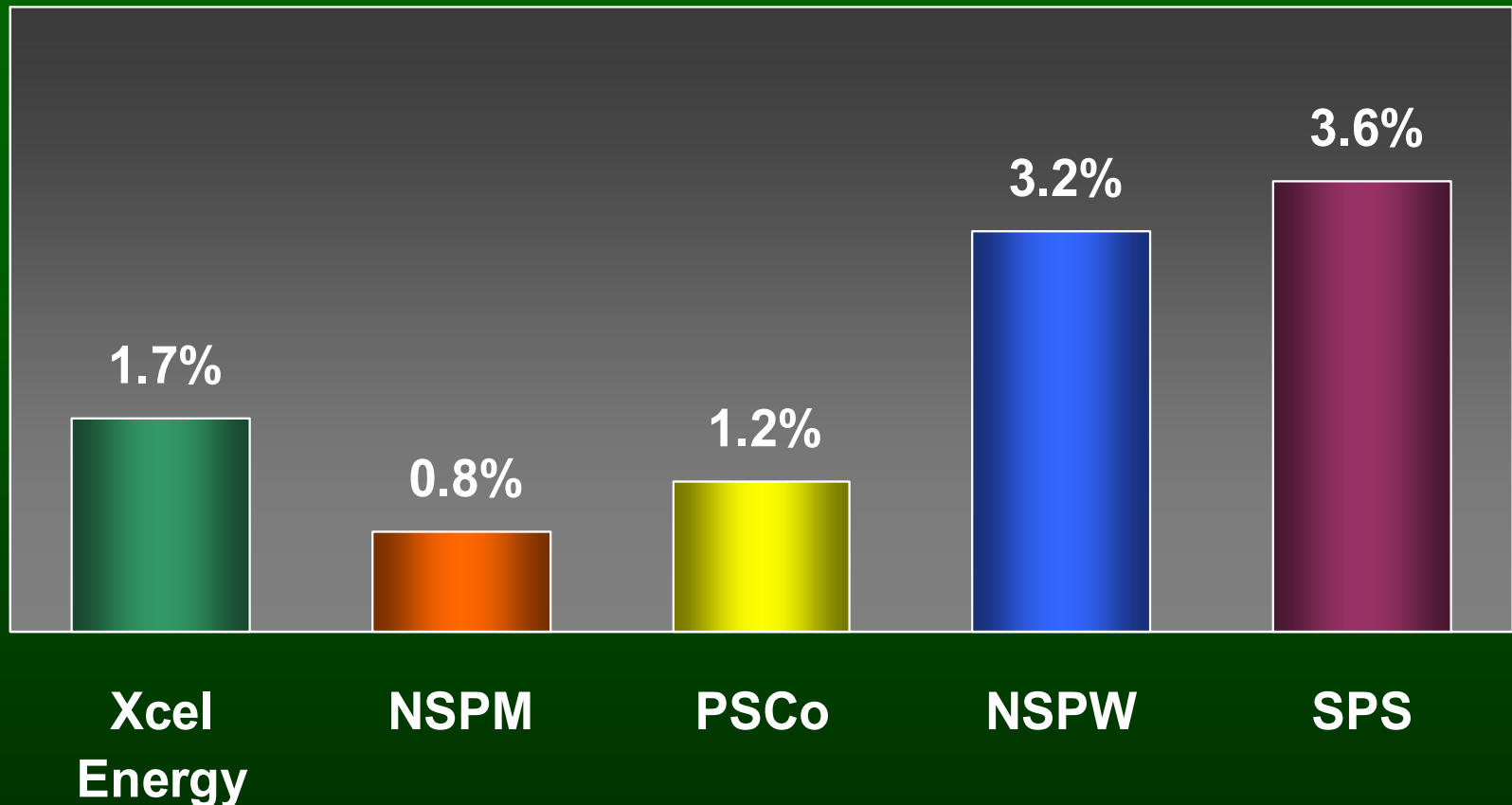
# Strong 2014 Outlook



- YTD earnings 3 cents per share ahead of last year
- O&M on track with annual guidance of a 2-3% increase
- Better than expected YTD weather-adjusted electric sales growth of 1.7%
- No additional equity financing (beyond DRIP & benefits) through 2018
- Reaffirmed 2014 ongoing earnings guidance, assuming constructive regulatory outcomes

# Better Than Expected YTD Sales Growth

YTD Weather-Adjusted Retail Electric Sales Through 2014 Q2

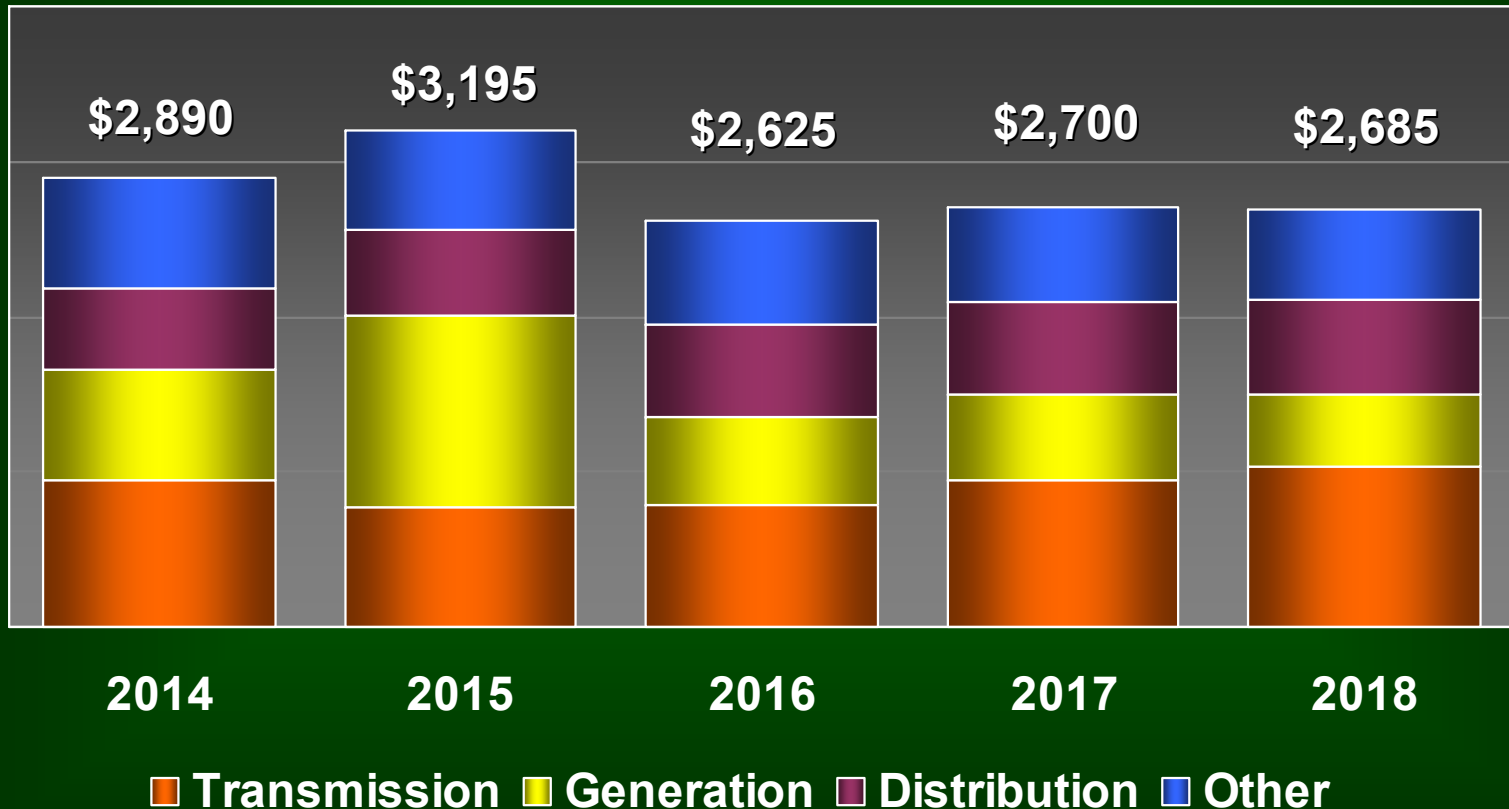


2014 guidance assumes W/A electric sale growth of about 1%

# Low Risk Capital Investment Plan

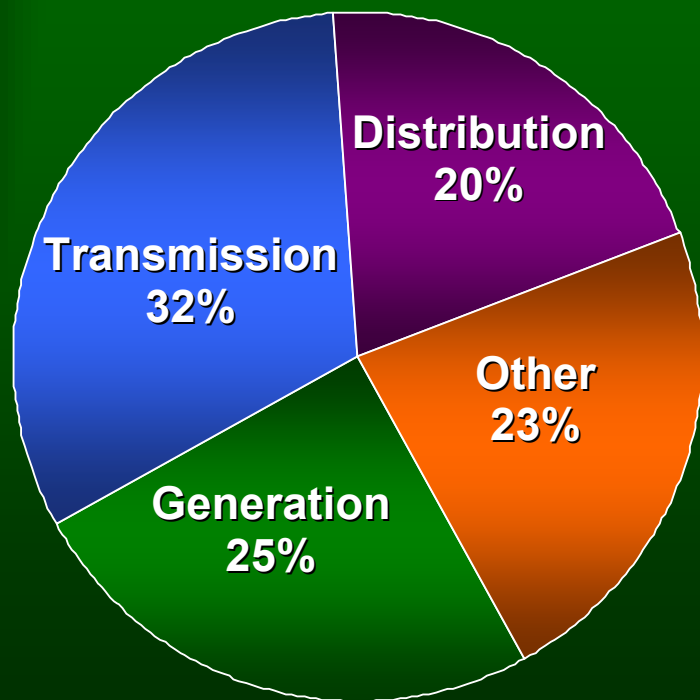
## Five-Year Total of \$14.1 Billion

Dollars in millions



# Low Risk Investment Plan Drives Attractive Rate Base Growth

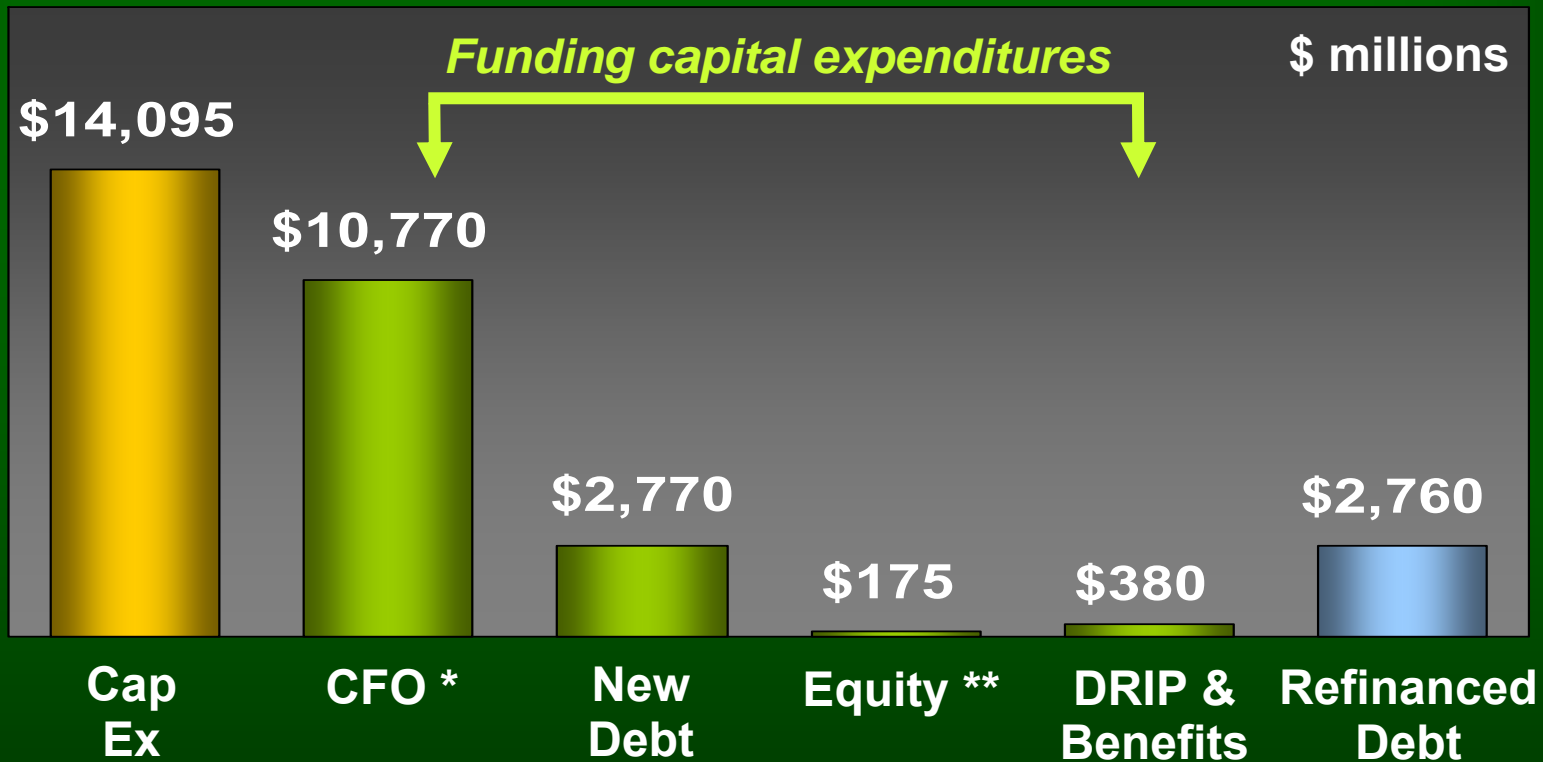
**2014-2018  
Capital Expenditures  
\$14.1 Billion**



**≈ 5.4%  
Rate Base  
CAGR  
2013 - 2018**



# Modest Equity Needs Financing Plan 2014-2018



\* Cash from operations is net of dividend and pension funding

\*\* The \$175 million of equity was issued in the first half of 2014

\*\* No further equity (beyond DRIP & benefit programs) is expected to be issued through 2018, based on current capital forecast (Financing plans are subject to change)

# Establishing TransCo

- **FERC Order 1000 creates opportunities and challenges**
- **Multiple approaches needed to win competitive projects**
- **Developing strategic flexibility to respond effectively**
- **Created two transmission subsidiaries to compete for projects in SPP and MISO**
- **Planning federal and state regulatory filings in 2014 Q3 with expected regulatory resolution in 2015**



# Pursuing Regulatory Certainty Through Multi-Year Plans

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

# Pending Rate Cases

| Rate Case             | Requested Increase              | Requested ROE | Expected Decision |
|-----------------------|---------------------------------|---------------|-------------------|
| Minnesota Electric    | \$264 million<br>Over Two Years | 10.25%        | 2015 Q1           |
| Colorado Electric     | \$138 million                   | 10.35%        | 2015 Q1           |
| Texas Electric        | \$48 million (net)              | 10.40%        | 2014 Summer       |
| Wisconsin Electric    | \$21 million                    | 10.20%        | 2014 Q4           |
| South Dakota Electric | \$16 million                    | 10.25%        | 2015 Q1           |

# 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



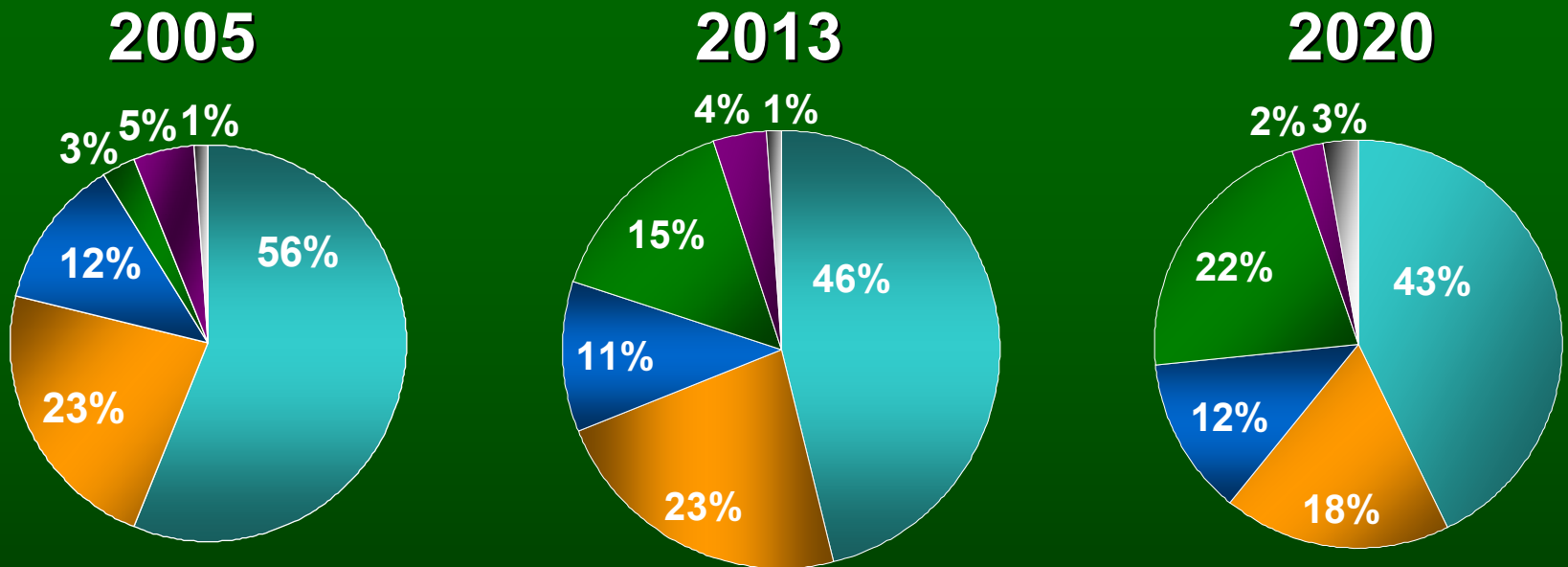
**Projected  
Annual O&M Growth**

**2014: 2% - 3%**

**2015-18: 0% - 2%**

# Proactive Environmental Leadership

## Fuel Mix Based on Energy

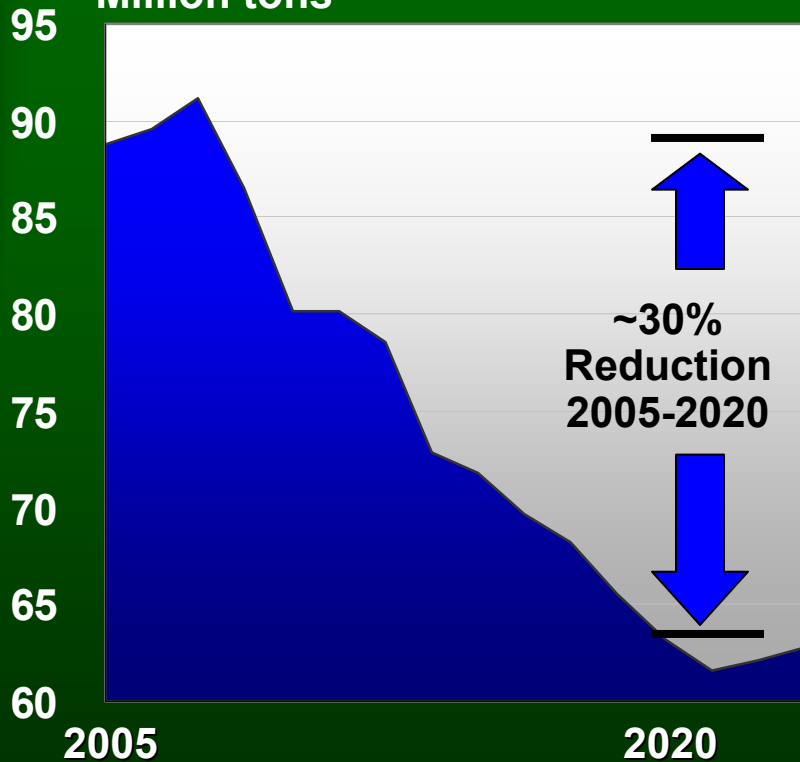


Coal
  Natural Gas
  Nuclear
  Wind
  Hydro
  Other

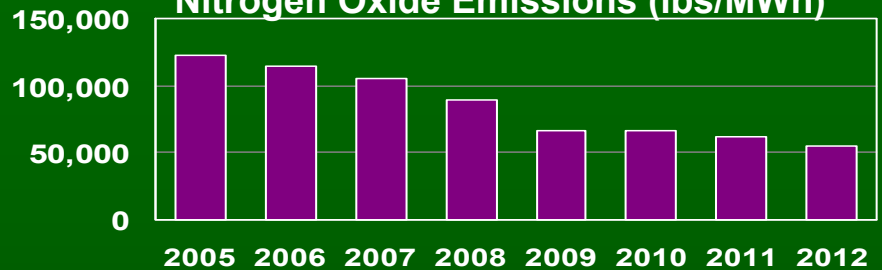
# Proactive Environmental Leadership

## Emission Reductions

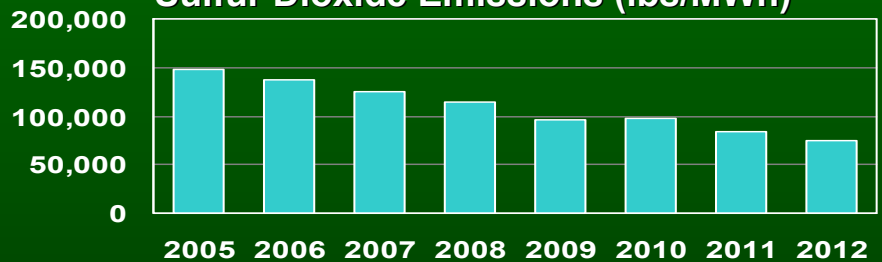
**CO2 Emissions**  
Million tons



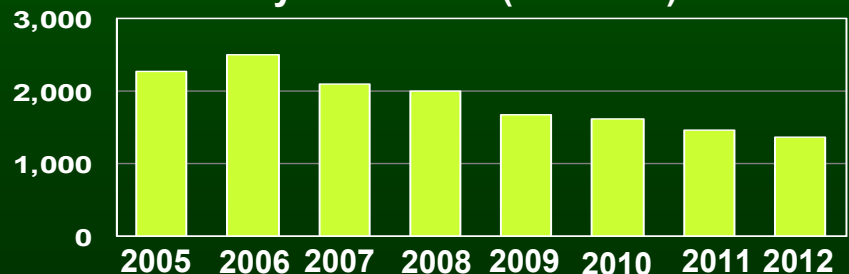
**Nitrogen Oxide Emissions (lbs/MWh)**



**Sulfur Dioxide Emissions (lbs/MWh)**



**Mercury Emissions (lbs/MWh)**



# Consistent Dividend Growth

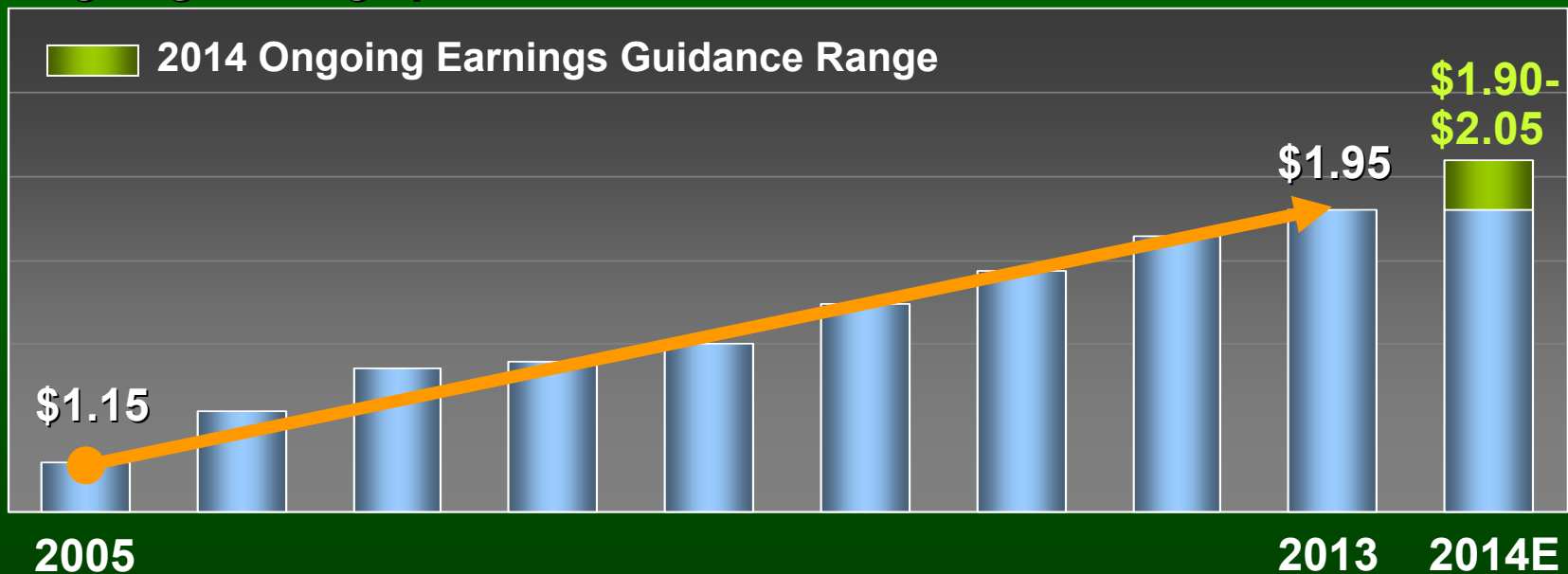


**Dividend growth CAGR 2005-2013 = 3.4%**  
**Dividend increase for 2014 = 7.1%**  
**Dividend Annual Growth Objective = 4-6%**



# Consistent EPS Growth

Ongoing earnings per share \*



**Ongoing EPS CAGR 2005-2013 = 6.8%**  
**EPS Annual Growth Objective = 4-6%**

\* Reconciliation to GAAP EPS included in appendix

# Well Positioned for the Future

- Strong 2014 outlook
- Low risk cap ex growth plan with minimal equity needs
- Establishing TransCo to compete for transmission
- Pursuing regulatory certainty through multi-year plans
- Operational excellence - bending the cost curve
- Proactive environmental leadership
- Attractive total return
  - EPS growth of 4% – 6% \*
  - Dividend growth of 4% – 6%

*\* Based off a normalized 2013 EPS of \$1.90*

# 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> |
|-------------------------------|---------------|---------------|-------------|-------------|-----------------|---------------|-------------|-------------|-------------|
| Ongoing EPS                   | \$1.15        | \$1.30        | \$1.43      | \$1.45      | \$1.50          | \$1.62        | \$1.72      | \$1.82      | \$1.95      |
| PSRI-COLI                     | \$0.05        | \$0.05        | \$(0.08)    | \$0.01      | \$(0.01)        | \$(0.01)      | -           | -           | -           |
| Prescription Drug Tax Benefit | -             | -             | -           | -           | -               | -             | -           | \$0.03      | -           |
| SPS FERC Order                | -             | -             | -           | -           | -               | -             | -           | -           | \$(0.04)    |
| Cont. Ops                     | \$1.20        | \$1.35        | \$1.35      | \$1.46      | \$1.49          | \$1.61        | \$1.72      | \$1.85      | \$1.91      |
| Discont. Ops                  | <u>\$0.03</u> | <u>\$0.01</u> | -           | -           | <u>\$(0.01)</u> | <u>\$0.01</u> | -           | -           | -           |
| GAAP EPS                      | \$1.23        | \$1.36        | \$1.35      | \$1.46      | \$1.48          | \$1.62        | \$1.72      | \$1.85      | \$1.91      |

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.

# Capital Expenditures by Major Project

Dollars in millions

| Major Project Summary             | 2014           | 2015           | 2016           | 2017           | 2018           | Total           |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| CapX 2020                         | \$255          | \$125          | \$5            | -              | -              | \$385           |
| CACJA                             | \$250          | \$85           | \$10           | -              | -              | \$345           |
| Nuclear Fuel                      | \$140          | \$100          | \$135          | \$135          | \$75           | \$585           |
| Other Major Transmission          | \$370          | \$265          | \$330          | \$420          | \$385          | \$1,770         |
| Gas Pipeline Replacements         | \$160          | \$180          | \$145          | \$125          | \$125          | \$735           |
| Other Capital Expenditures        | \$1,670        | \$1,710        | \$1,790        | \$1,725        | \$1,715        | \$8,610         |
| NSPM Wind Projects                | \$35           | \$610          | -              | -              | -              | \$645           |
| Black Dog Unit 6                  | \$5            | \$50           | \$40           | \$5            | -              | \$100           |
| New SW Infrastructure             | \$5            | \$70           | \$170          | \$290          | \$385          | \$920           |
| <b>Total Capital Expenditures</b> | <b>\$2,890</b> | <b>\$3,195</b> | <b>\$2,625</b> | <b>\$2,700</b> | <b>\$2,685</b> | <b>\$14,095</b> |

# Capital Expenditures by Company

Dollars in millions

|              | 2014           | 2015           | 2016           | 2017           | 2018           | Total           |
|--------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| <b>NSPM</b>  | \$1,090        | \$1,620        | \$955          | \$885          | \$805          | \$5,355         |
| <b>PSCo</b>  | \$985          | \$845          | \$795          | \$770          | \$815          | \$4,210         |
| <b>SPS</b>   | \$525          | \$520          | \$610          | \$770          | \$790          | \$3,215         |
| <b>NSPW</b>  | \$290          | \$210          | \$265          | \$275          | \$275          | \$1,315         |
| <b>Total</b> | <b>\$2,890</b> | <b>\$3,195</b> | <b>\$2,625</b> | <b>\$2,700</b> | <b>\$2,685</b> | <b>\$14,095</b> |

# Capital Expenditures by Function

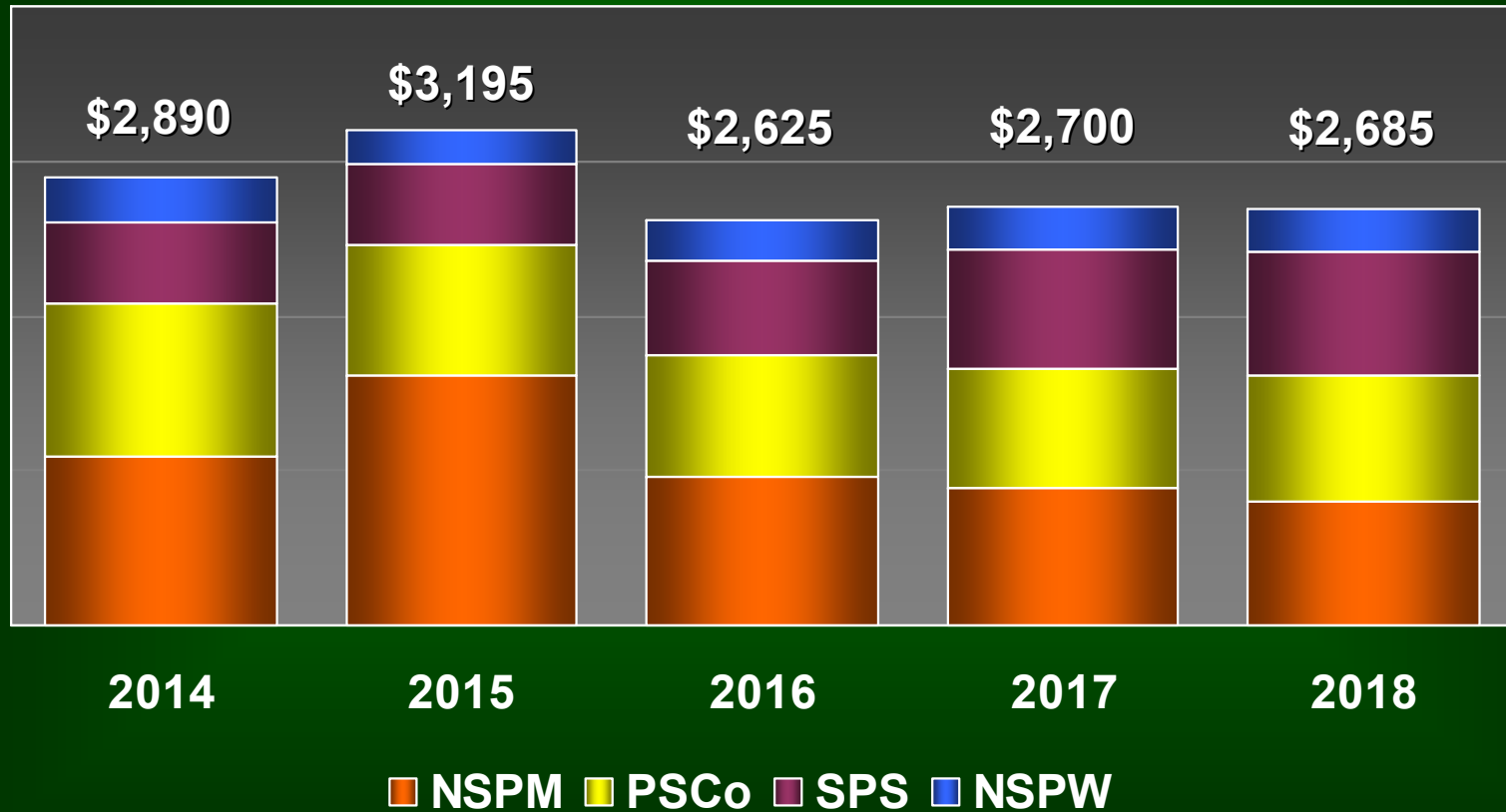
Dollars in millions

|                              | 2014           | 2015           | 2016           | 2017           | 2018           | Total           |
|------------------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| <b>Electric Generation</b>   | \$715          | \$1,235        | \$560          | \$550          | \$470          | \$3,530         |
| <b>Electric Transmission</b> | \$950          | \$770          | \$790          | \$945          | \$1,035        | \$4,490         |
| <b>Electric Distribution</b> | \$510          | \$560          | \$595          | \$605          | \$610          | \$2,880         |
| <b>Natural Gas</b>           | \$365          | \$340          | \$345          | \$300          | \$320          | \$1,670         |
| <b>Nuclear Fuel</b>          | \$140          | \$100          | \$135          | \$135          | \$75           | \$585           |
| <b>Other</b>                 | \$210          | \$190          | \$200          | \$165          | \$175          | \$940           |
| <b>Total</b>                 | <b>\$2,890</b> | <b>\$3,195</b> | <b>\$2,625</b> | <b>\$2,700</b> | <b>\$2,685</b> | <b>\$14,095</b> |

# Low Risk Capital Investment Plan

## Five-Year Total of \$14.1 Billion

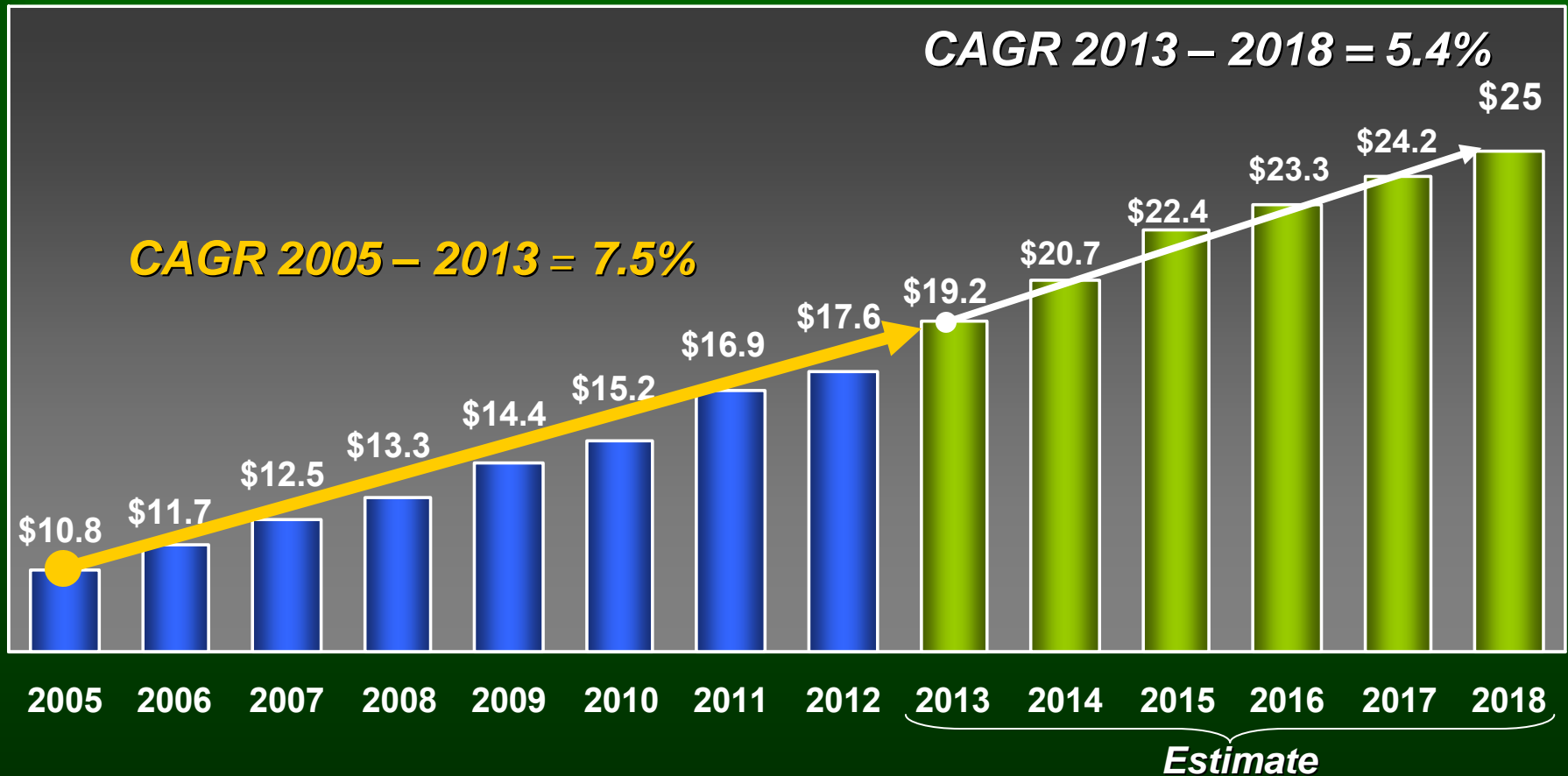
Dollars in millions





# Attractive Rate Base Growth

Dollars in billions



# Proactive Risk Mitigation

## Strong Credit Ratings and Liquidity

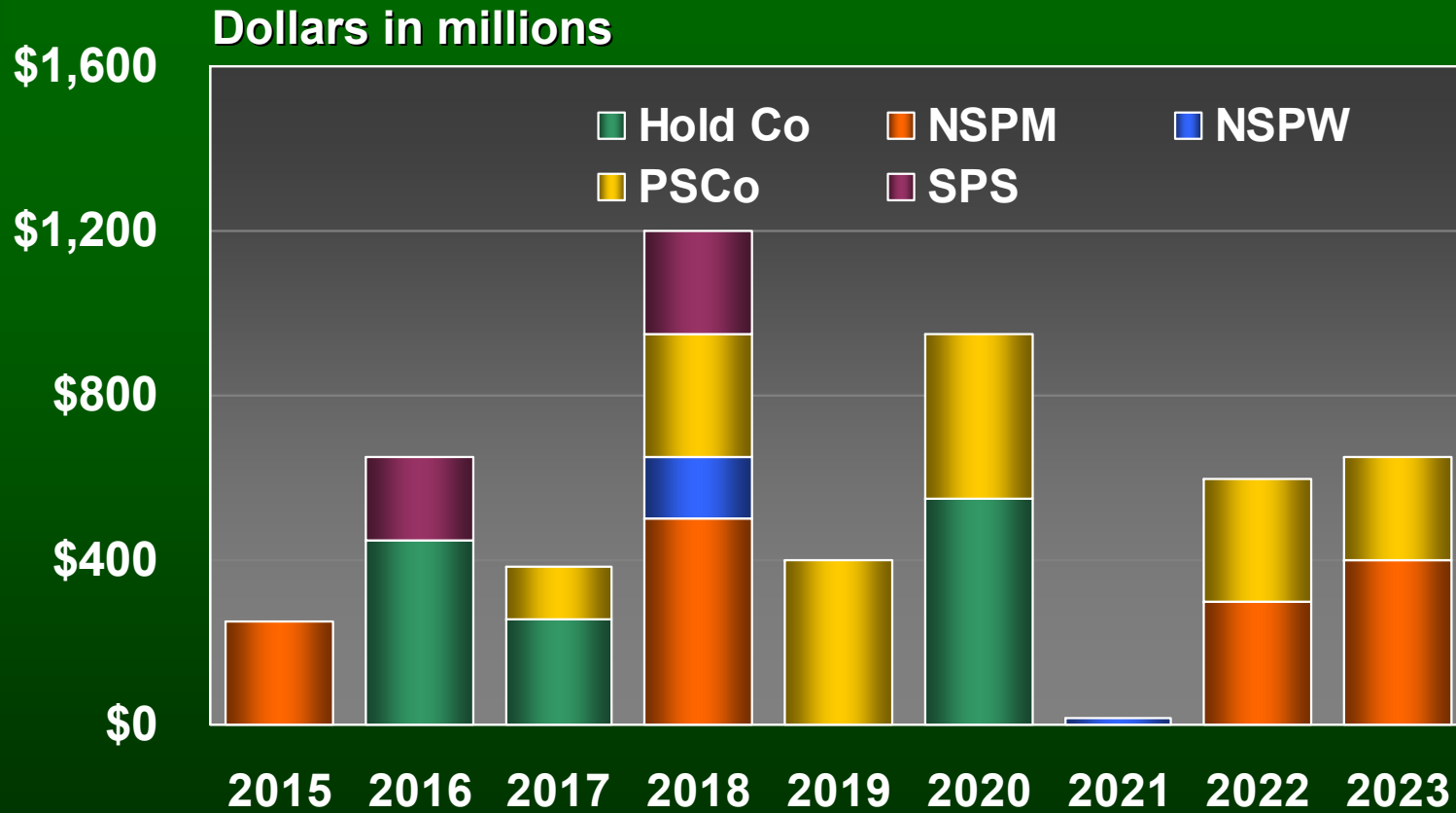
44% equity ratio as of June 30, 2014

\$2.45 billion credit line, maturity of July 2017

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

\* Moody's upgraded the credit ratings of Xcel Energy and its subsidiaries one notch in January 2014

# Manageable Debt Maturities



# Minnesota Multi-Year Electric Rate Case

- **NSP-Minnesota filed a two-year, electric rate case seeking \$264 million over two year**
- **The filing is based on a requested ROE of 10.25%, a 52.5% equity ratio, a 2014 average rate base of \$6.670 billion and an additional average rate base of \$0.412 billion in 2015.**
- **MPUC approved interim rates of \$127 million effective Jan. 2014**
- **Procedural schedule:**
  - **Hearings – August 11- 18, 2014**
  - **ALJ recommendation – December 22, 2014**
  - **Commission decision – March 2015**

# Minnesota Multi-Year Electric Rate Case

| (Millions of Dollars)                              | 2014         |             | 2015         |             |
|--|--------------|-------------|--------------|-------------|
|  | Amount       | % increase  | Amount       | % increase  |
| Rebuttal pre-moderation deficiency                 | \$250        |             | \$68         |             |
| Moderation change compared to prior year:          |              |             |              |             |
| Depreciation reserve                               | (81)         |             | 53           |             |
| DOE settlement proceeds                            | —            |             | <u>(26)</u>  |             |
| <b>Rebuttal rate request</b>                       | <b>169</b>   | <b>6.2%</b> | <b>95</b>    | <b>3.5%</b> |
| Interim rate adjustment                            | (66)         |             | 66           |             |
| Prairie Island EPU                                 | <u>4</u>     |             | <u>(4)</u>   |             |
| <b>Revenue impact</b>                              | <b>107</b>   |             | <b>157</b>   |             |
| Depreciation expense – reduction/(increase)        | 81           |             | (46)         |             |
| Recognition of DOE settlement proceeds             | —            |             | <u>26</u>    |             |
| <b>Rebuttal pre-tax impact on operating income</b> | <b>\$188</b> |             | <b>\$137</b> |             |

- Requested 10.25% ROE, 52.5% equity ratio, and \$6.67 billion 2014 average rate base
- Interim rates (subject to refund) of \$127 million were approved effective January 2014
- NSP-Minnesota's total revenue for 2014 is capped at the interim rate level of \$127 million and pre-tax operating income is capped at \$208 million. This table demonstrates the impact of reducing NSP-Minnesota's rebuttal request.

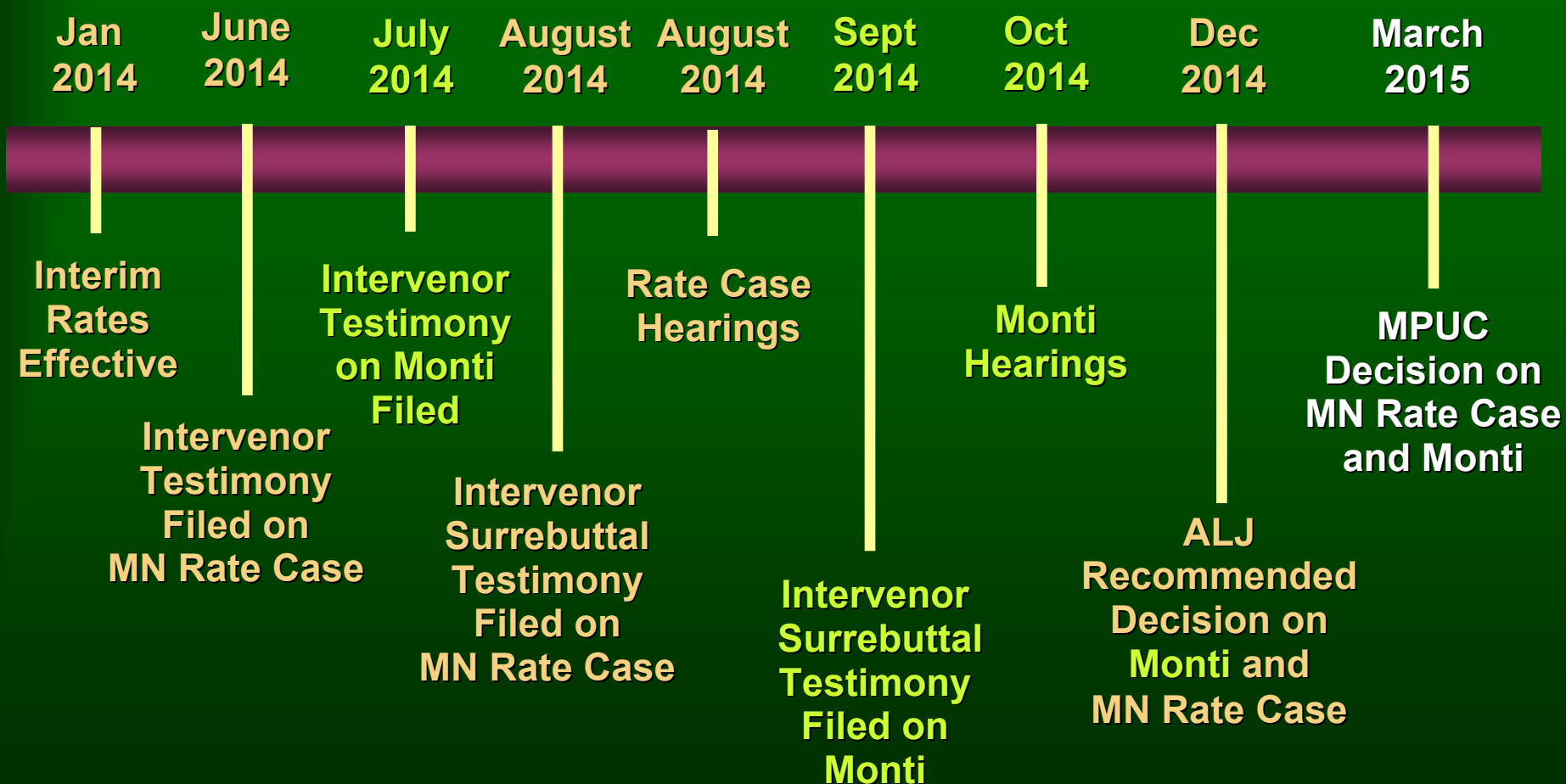
# Minnesota Multi-Year Electric Rate Case

| <i>(millions of dollars)</i>   | 2014                  |                       | 2015                 |                      |
|--|-----------------------|-----------------------|----------------------|----------------------|
|  | DOC Surrebuttal       | NSP-M Rebuttal        | DOC Surrebuttal      | NSP-M Rebuttal       |
| <b>NSP-Minnesota's original request</b>  | <b><u>\$192.7</u></b> | <b><u>\$192.7</u></b> | <b><u>\$98.5</u></b> | <b><u>\$98.5</u></b> |
| Monticello EPU cost recovery (2015 is net of the DOC's recommended disallowance) | (31.3)                | -                     | 8.7                  | -                    |
| Sales forecast   | (43.2) *              | (15.8)                | -                    | -                    |
| ROE of 9.64%   | (36.1)                | -                     | (2.7)                | -                    |
| Health care, pension and other benefits  | (17.9)                | (0.8)                 | -                    | -                    |
| Depreciation   | -                     | -                     | (17.5)               | -                    |
| Property taxes   | (14.0) **             | -                     | (3.3)                | (3.3)                |
| Production tax credits to be included in base rates                              | -                     | -                     | (11.1)               | (11.1)               |
| DOE settlement proceeds  | -                     | -                     | -                    | 10.1                 |
| Prairie Island EPU   | (5.8)                 | (3.8)                 | -                    | -                    |
| Excess depreciation reserve adjustment   | -                     | -                     | (22.7)               | -                    |
| Other, net   | <u>(1.2)</u>          | <u>(2.8)</u>          | <u>(3.7)</u>         | <u>0.8</u>           |
| <b>Recommended rate increase</b>   | <b><u>\$43.2</u></b>  | <b><u>\$169.5</u></b> | <b><u>\$46.2</u></b> | <b><u>\$95.0</u></b> |

\* The DOC agreed to NSP-M's recommendation to true up the sales forecast to W/N actual sales

\*\* The DOC included an alternative recommendation for a property tax reduction of \$9 million

# Minnesota Regulatory Key Dates



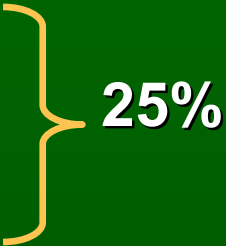
# Monticello EPU/LCM Prudence Filing

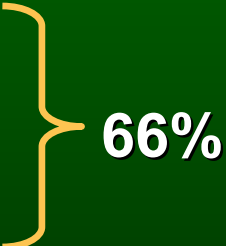
- Original estimate was \$320 million and final cost was \$665 million
- Monticello uprate & life extension was a sound investment
  - Rebuilt plant provides value for the next 20 years
  - Essential for carbon reduction commitment
  - Our experience is in line with industry performance
- In July 2014, the DOC recommended a disallowance of \$72 million for Minnesota - the equivalent of \$94 million for all jurisdictions
- Procedural schedule:
  - Rebuttal testimony – August 26, 2014
  - Surrebuttal testimony – September 19, 2014
  - Hearings – September 25 - 30, 2014
  - ALJ recommendation – December 31, 2014
  - Commission decision – March 2015




# Monticello Prudence Filing

## Drivers of Cost Increases

- **Design changes from original scoping**
  - Reactor feedwater pumps
  - Feedwater heater replacement
  - 13.8 kV system

25%
- **Underestimation of implementation costs**
  - Labor productivity
  - Emergent work
  - Vendor issues

66%
- **Increased regulatory requirements**
  - NRC license delay
  - Steam dryer monitoring

9%

# Colorado 2015 Electric Rate Case

- Seeking a 2015 rate increase of \$138 million, or 4.89%
- The filing is based on a 2015 test year, an ROE of 10.35%, an equity ratio of 56% and an electric rate base of \$6.39 billion
- The request includes the initiation of a \$95 million CACJA rider (as part of the 2015 rate case request). The CACJA rider would increase revenue recovery by approximately \$40 million in 2016 and then decline to about \$36 million in 2017.
- PSCo's objective is to establish a multi-year regulatory plan that provides certainty for PSCo and its customers
- A CPUC decision and implementation of final rates are anticipated in the first quarter of 2015

# Texas 2014 Electric Rate Case

- **Seeking 2014 electric rate net increase of \$48.1 million**
  - **Based on a June 2013 historic test year with known and measurable adjustments**
  - **ROE of 10.40%**
  - **Electric rate base of \$1.27 billion**
  - **Equity ratio of 53.89%**
- **Currently in settlement discussions**
- **A PUCT decision is anticipated later this year with final rates expected to be effective retroactive to June 2014**

# Wisconsin 2015 Electric Rate Case

- **Seeking a 2015 electric rate increase of \$20.6 million, or 3.2%**
  - **Limited filing for recovering increases in production and transmission fixed charges and fuel & purchased power costs**
  - **Based on a 2015 forecast test year**
  - **No change requested to the authorized capital structure (equity ratio of 52.5%) and ROE (10.2%)**
- **Procedural schedule:**
  - **Staff & intervenor testimony - October 3, 2014**
  - **Rebuttal testimony - October 17, 2014**
  - **Surrebuttal testimony - October 24, 2014**
  - **Hearings - October 28, 2014**
  - **A decision by the PSCW is anticipated by December 2014**
  - **Final rates are expected to be effective in January 2015**

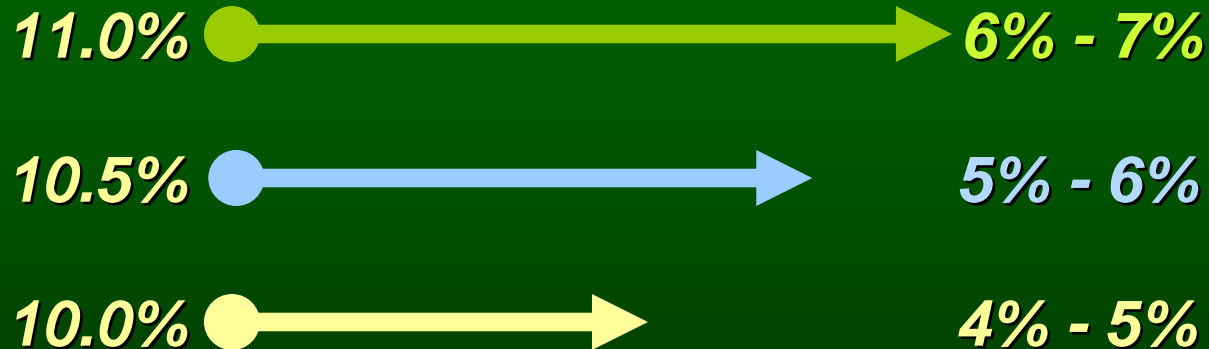
# South Dakota 2015 Electric Rate Case

- Seeking a 2015 electric rate increase of \$15.6 million, or 8.0%
  - Requested ROE of 10.25%
  - Equity ratio of 53.86%
  - 2013 historic test year with known and measurable adjustments for 2014 and 2015
  - Transfers of \$9.0 million from rider to base rates
- Rates expected to go into effect in first quarter of 2015

# Impact of Improved Earned ROE

*Consolidated  
Earned ROE*

*5-year EPS  
CAGR*



*Based on Xcel Energy's consolidated GAAP ROE*

# Impact of Improved Earned ROE

## The Opportunity

|                            |                           |                           |                           |
|----------------------------|---------------------------|---------------------------|---------------------------|
| <b>2012<br/>Rate Base</b>  | <b>\$17.6<br/>billion</b> | <b>\$17.6<br/>billion</b> | <b>\$17.6<br/>billion</b> |
| <b>Equity Ratio</b>        | <b>54%</b>                | <b>54%</b>                | <b>54%</b>                |
| <b>ROE<br/>Improvement</b> | <b>25 bps</b>             | <b>50 bps</b>             | <b>75 bps</b>             |
| <b>Net Income</b>          | <b>\$24 million</b>       | <b>\$48 million</b>       | <b>\$71 million</b>       |
| <b>Ongoing EPS</b>         | <b>\$0.05</b>             | <b>\$0.10</b>             | <b>\$0.15</b>             |

# Regulatory vs. Authorized ROE - 2013

| OPCO | Jurisdiction | Rate Base<br>\$Millions | Authorized<br>ROE | W/A Earned<br>ROE | Regulatory Plan   |
|------|--------------|-------------------------|-------------------|-------------------|-------------------|
| NSPM | MN Electric  | \$6,719                 | 9.83%             | 8.22%             | 2014-15 MYP Filed |
|      | MN Gas       | 436                     | 10.09             | 9.76              |                   |
|      | ND Electric  | 389                     | 9.75              | 9.54              | 2013-2016 MYP     |
|      | ND Gas       | 43                      | 10.75             | 11.39             |                   |
|      | SD Electric  | 409                     | Black box         | 7.28              |                   |
| PSCo | CO Electric  | 5,922                   | 10.00             | 11.32*            | 2012-2014 MYP     |
|      | CO Gas       | 1,483                   | 9.72              | 9.01              | 2013 Rate Case    |
| SPS  | TX Electric  | 1,256                   | Black box         | 10.11**           | 2014 Rate Case    |
|      | NM Electric  | 456                     | Black box         | 6.58**            | 2014 Rate Case    |
| NSPW | WI Electric  | 777                     | 10.40             | 10.23             | 2013 Rate Case    |
|      | WI Gas       | 85                      | 10.40             | 9.81              | 2013 Rate Case    |
|      | MI Electric  | 17                      | 10.30             | 7.57              | 2014 Rate Case    |
|      | MI Gas       | 3                       | 11.25             | (11.58)           |                   |
|      | Wholesale    | 1,225                   | N/A               | N/A               |                   |

\* Before customer refund based on earnings test. PSCo earned 10.27%, after customer refund.

\*\* Actual ROE, not weather-normalized



# Regulatory vs. Authorized Returns - 2012

| OPCO | Jurisdiction | Rate Base<br>\$Millions | Authorized<br>ROE | W/A Earned<br>ROE | Regulatory Plan |
|------|--------------|-------------------------|-------------------|-------------------|-----------------|
| NSPM | MN Electric  | \$6,091                 | 10.37%            | 8.20%             | 2013, 2014 MYP  |
|      | MN Gas       | 423                     | 10.09             | 10.02             |                 |
|      | ND Electric  | 339                     | 10.40             | 8.92              | 2013            |
|      | ND Gas       | 41                      | 10.75             | 13.98             |                 |
|      | SD Electric  | 380                     | 9.25              | 4.86              | 2012, 2013      |
| PSCo | CO Electric  | 5,641                   | 10.00             | 10.27             | 2012 MYP        |
|      | CO Gas       | 1,237                   | 10.10             | 7.23              | 2013 MYP        |
| SPS  | TX Electric  | 1,138                   | Black box         | 8.85 *            | 2012, 2013      |
|      | NM Electric  | 400                     | Black box         | 8.87 *            | 2012, 2014      |
| NSPW | WI Electric  | 715                     | 10.40             | 9.79              | 2013, 2014      |
|      | WI Gas       | 86                      | 10.40             | 10.57             | 2013, 2014      |
|      | MI Electric  | 16                      | 10.30             | 11.37             |                 |
|      | MI Gas       | 3                       | 11.25             | (2.75)            |                 |
|      | Wholesale    | 1,112                   | N/A               | N/A               |                 |

\* Actual ROE, not weather-normalized

# Dividend Flexibility

- Annual dividend growth target range of 4% – 6%
  - No dividend payout range target
  - Dividend growth may periodically exceed EPS growth
- Dividend considerations
  - Providing a competitive dividend yield
  - Capital investment growth opportunities
  - Balance sheet and credit ratings
  - Projected cash generation and requirements
- Dividend decisions are the responsibility of Board of Directors

*In February 2014, Xcel Energy's Board of Directors increased the dividend 8 cents per share on an annual basis, or 7%*

