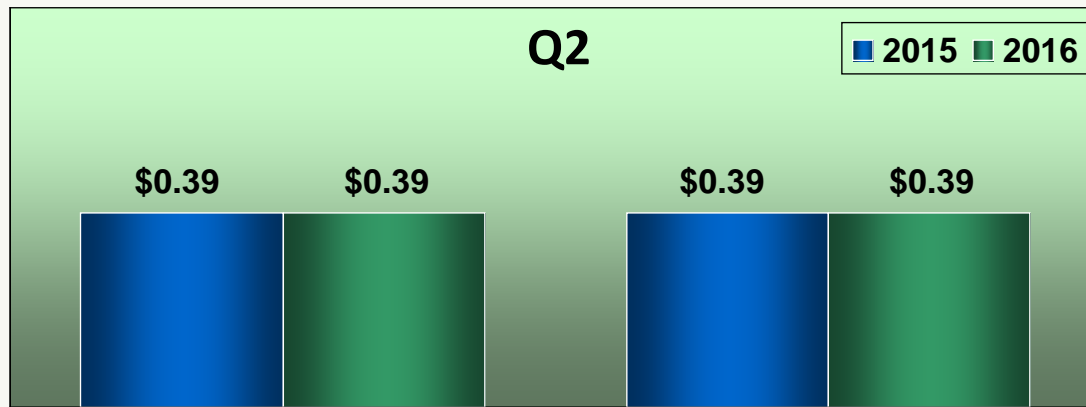




Second Quarter 2016 Earnings Release Presentation

August 3, 2016

EPS Results



GAAP EPS

Ongoing EPS



GAAP EPS

Ongoing EPS

YTD 2015 ongoing earnings exclude a charge of \$0.16 per share, related to the Monticello life cycle management/extended power uprate project

EPS Results by Operating Company

	<u>Second Quarter</u>		<u>YTD</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
PSCo	\$ 0.17	\$ 0.19	\$ 0.40	\$ 0.41
NSPM	0.15	0.15	0.34	0.32
SPS	0.06	0.05	0.11	0.08
NSPW	0.02	0.02	0.06	0.07
Equity earnings	0.01	0.01	0.03	0.02
Regulated utility	<u>0.42</u>	<u>0.42</u>	<u>0.93</u>	<u>0.90</u>
Holding company and other	<u>(0.04)</u>	<u>(0.03)</u>	<u>(0.07)</u>	<u>(0.05)</u>
Total Ongoing diluted EPS	\$ 0.39	\$ 0.39	\$ 0.86	\$ 0.85
Loss on Monticello LCM/EPU Project	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.16)</u>
Total GAAP diluted EPS	\$ 0.39	\$ 0.39	\$ 0.86	\$ 0.69

Amounts in the table may not add due to rounding

2016 YTD Highlights

- Increased dividend 6.3%
- Colorado filings:
 - Rush Creek 600 MW wind ownership proposal
 - Resource plan
 - Decoupling proposal
 - Distribution grid modernization
- Engaged in settlement discussions in the Minnesota rate case
- Reached settlement in New Mexico rate case, pending commission approval
- Recognition:
 - Named #1 utility wind provider by AWEA for 12th consecutive year
 - EEI's Emergency Recovery Award
 - EPA's Climate Leadership Award
 - Recognized as a Best for Vets Employer

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 through technology and standardization
- Limit annual O&M growth to 0% – 2%
- Maintain best-in-class reliability

Improve Customer Experience



- Offer more energy options
- Exceed customer expectations

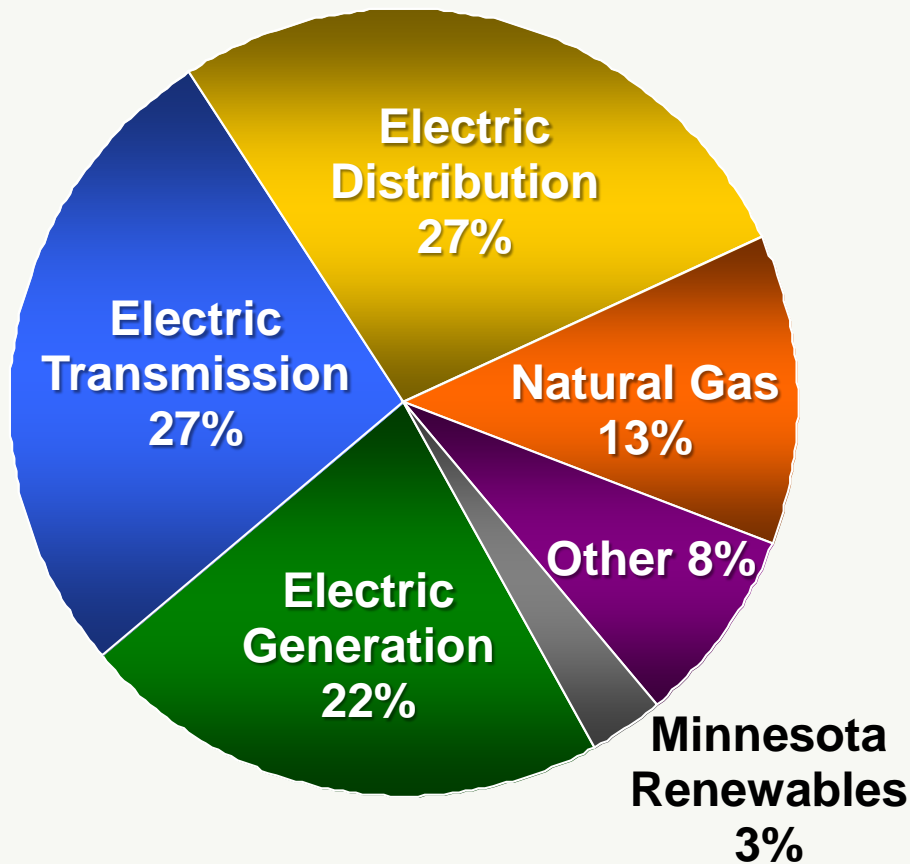
Invest for the Future



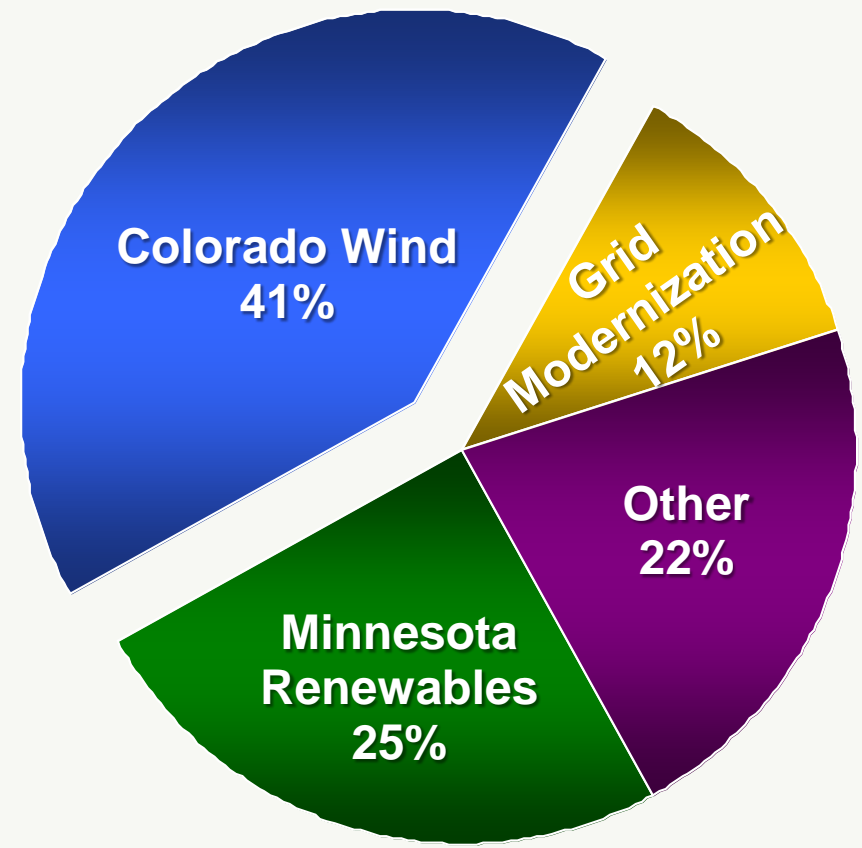
- Base cap ex – rate base CAGR = 3.7%
- Upside cap ex – rate base CAGR = 5.5%

Investing for the Future

Base Capital Expenditures
\$15.2 Billion for 2016-2020

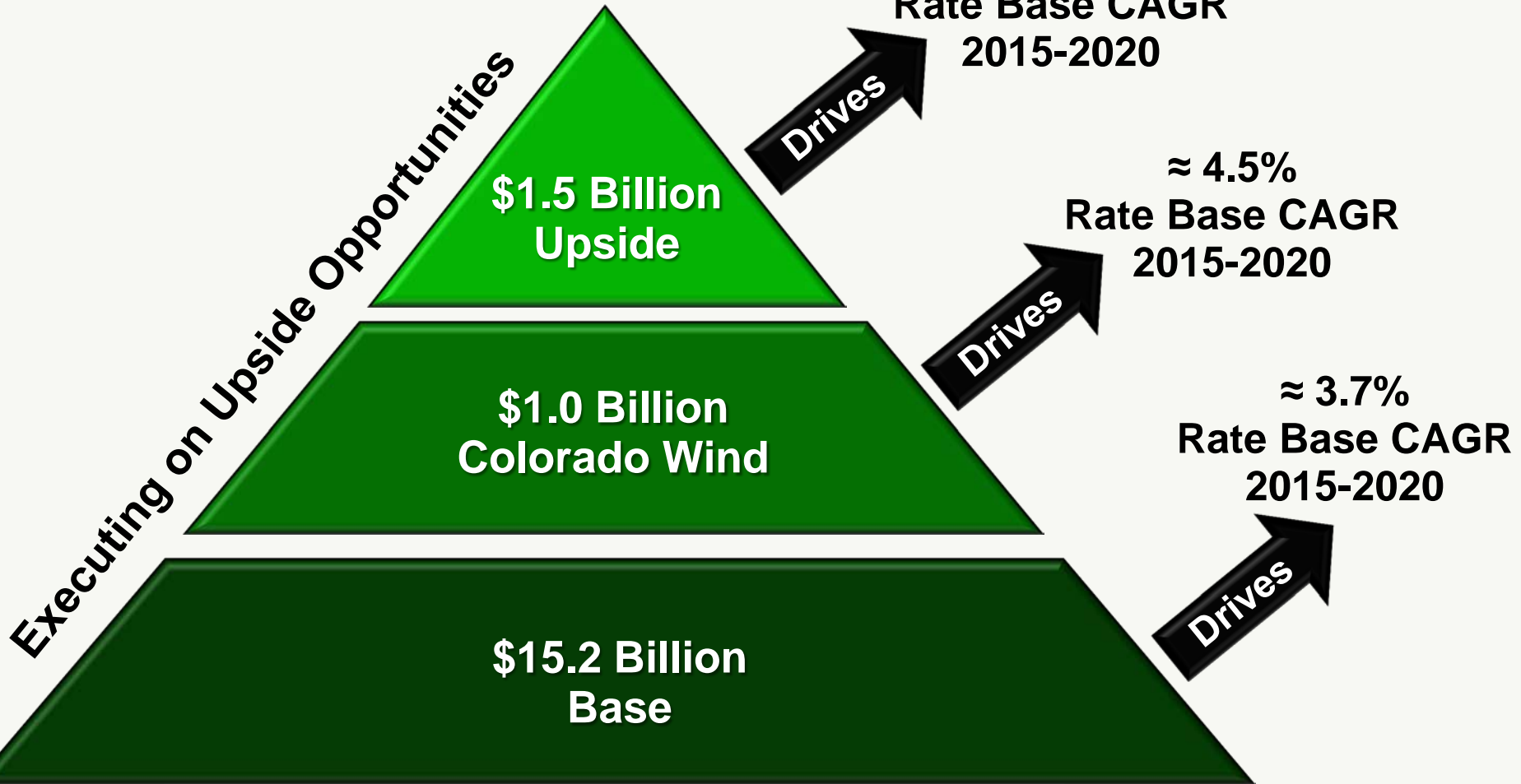


Upside Capital Expenditures
~\$2.5 Billion for 2016-2020

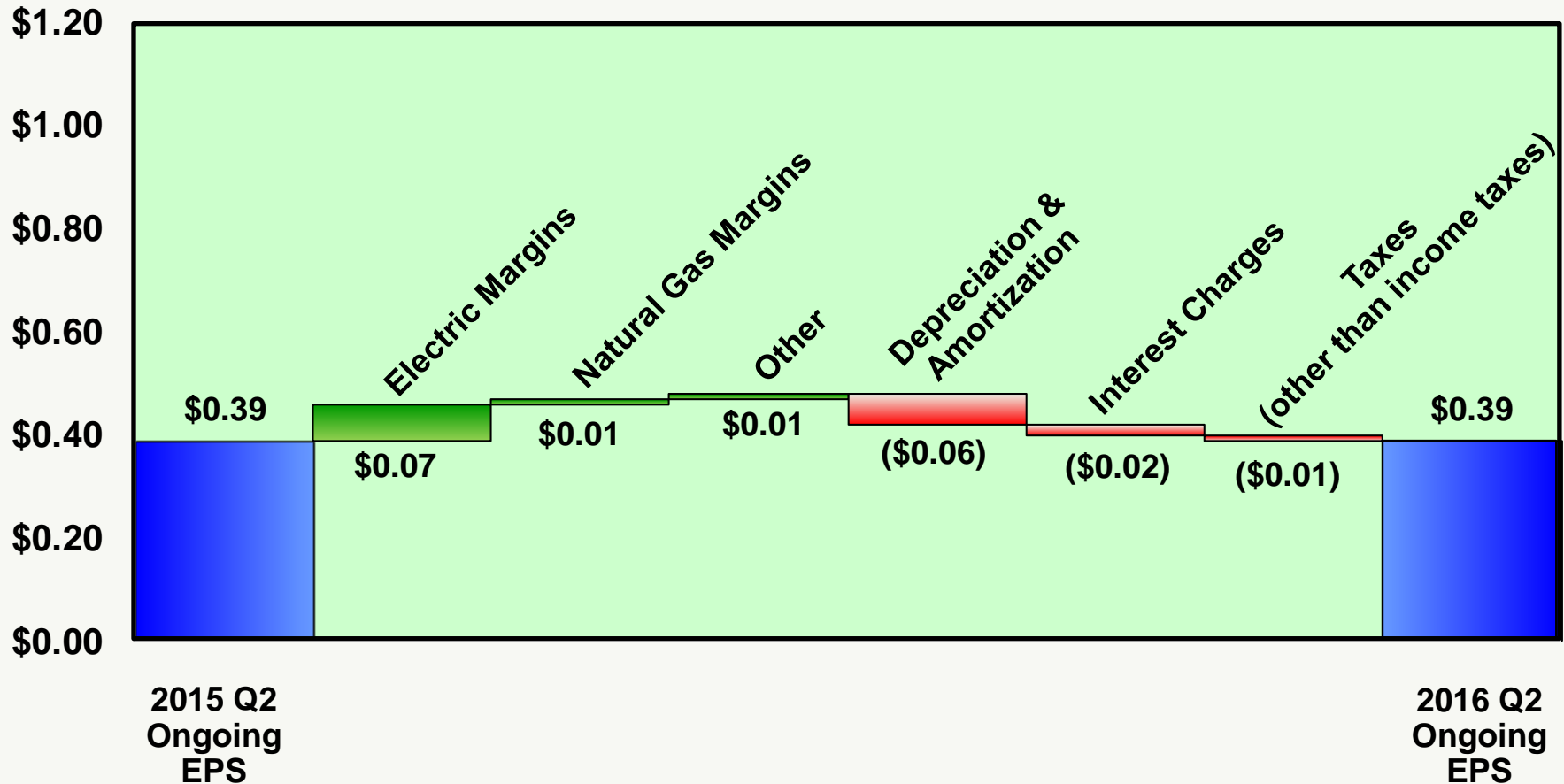


Investing for the Future

Capital Expenditures
2016-2020

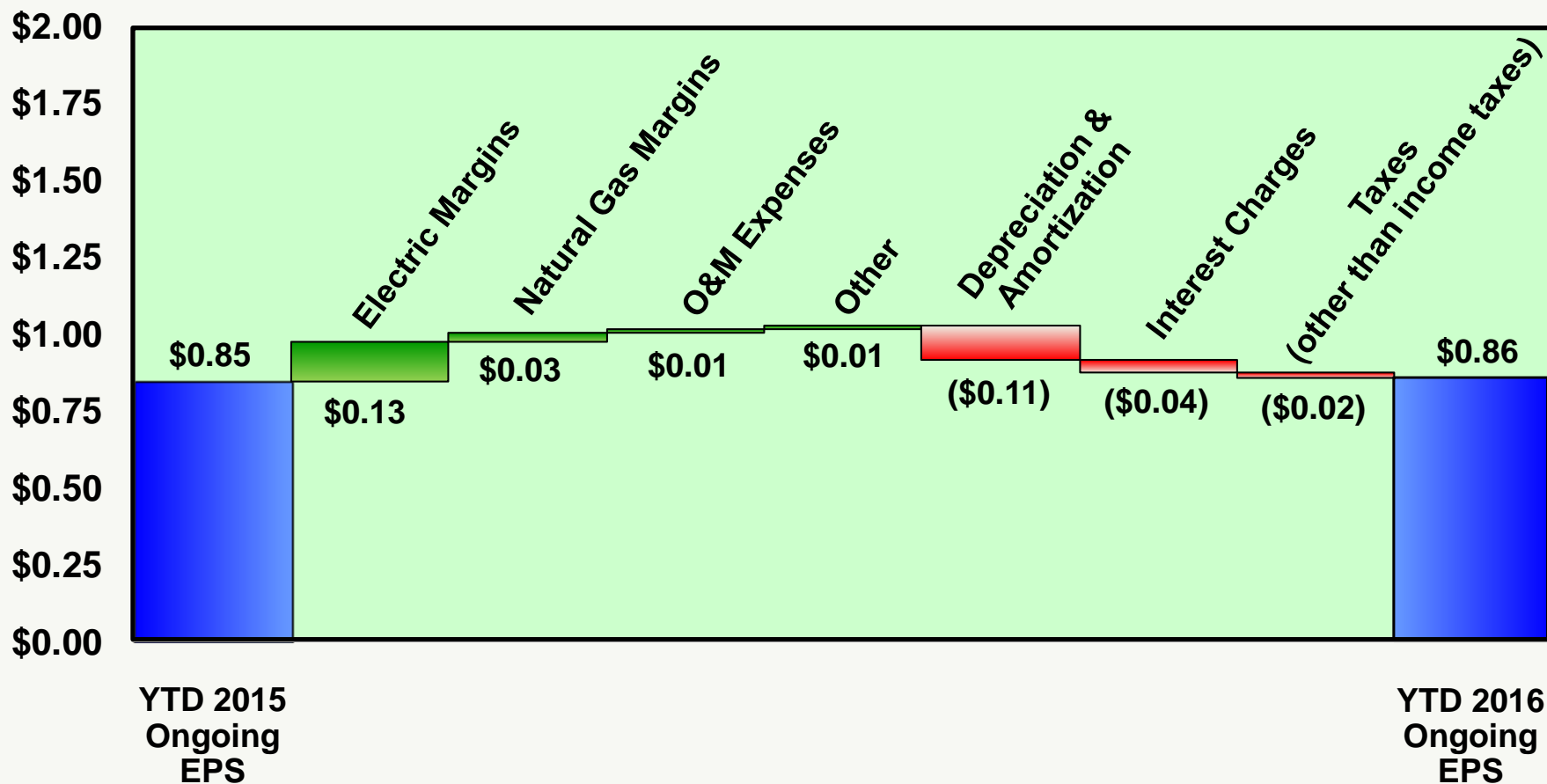


Quarterly Ongoing EPS Change



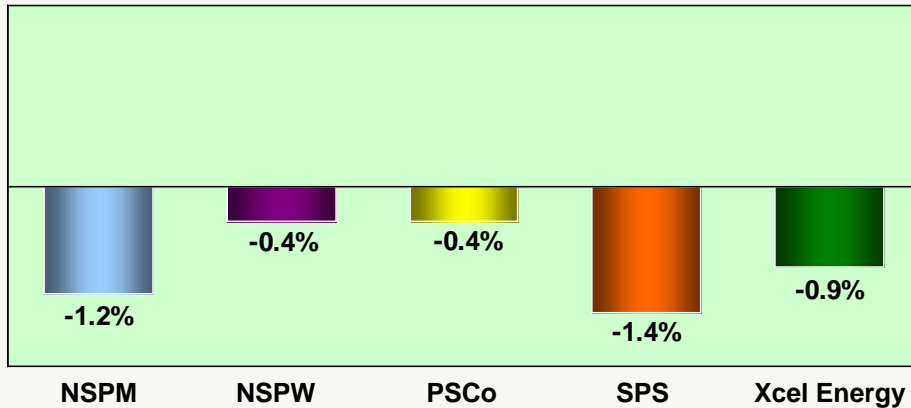
The \$0.02 favorable impact of weather is incorporated in the electric and natural gas margins

YTD Ongoing EPS Change

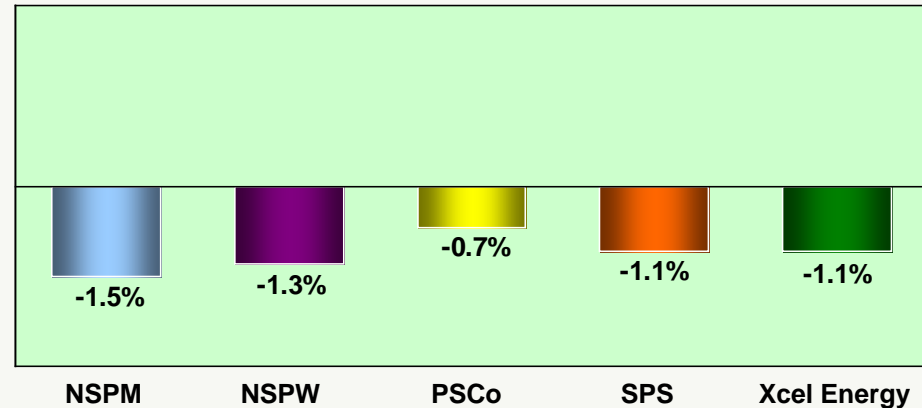


Economic, Sales & Customer Data

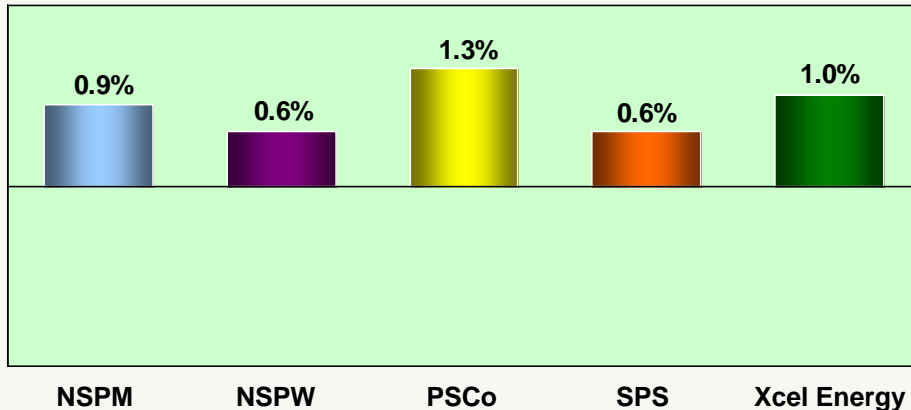
2016 Q2 W/A Electric Sales Growth



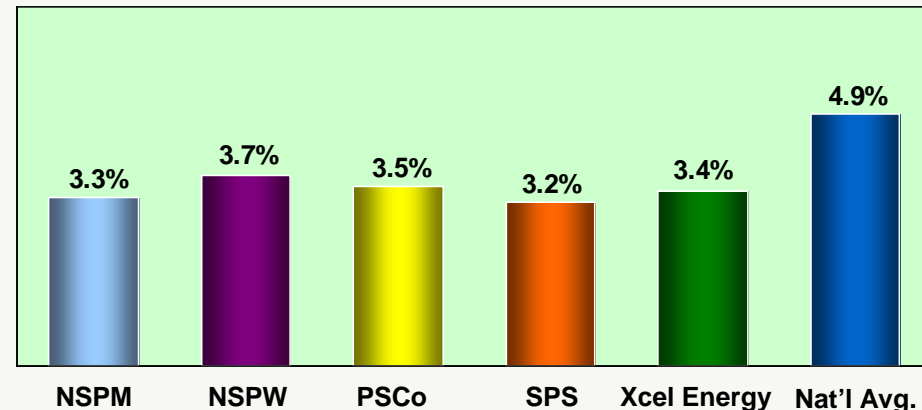
2016 YTD W/A Electric Sales Growth (excluding an extra day of sales for leap year)



2016 Q2 YoY Electric Customer Growth



June Unemployment



Minnesota Multi-year Electric Rate Case

Request	2016	2017	2018
Rate request	\$194.6 million	\$52.1 million	\$50.4 million
Increase percentage	6.4%	1.7%	1.7%
Interim request	\$163.7 million	\$44.9 million	N/A
Rate base	\$7.8 billion	\$7.7 billion	\$7.7 billion

- Request based on ROE of 10.0% and equity ratio of 52.50%
- Includes option of a five-year multi-year plan
- In Dec. 2015, the MPUC approved interim rates of \$163.7 million effective Jan. 2016 and deferred a decision on 2017 interim rates
- Currently in settlement discussions
- Final decision expected June 2017, unless a settlement is reached

Docket # E002/GR-15-826

Minnesota Multi-year Electric Rate Case

(Millions of Dollars)	2016	2017 Step	2018 Step	Total
NSPM's filed rate request	194.6	52.1	50.4	297.1
DOC recommended adjustments:				
Lower ROE (9.06%)	(65.0)	0.3	1.0	(63.7)
Sales forecast	(39.4)	-	-	(39.4)
Property tax	(5.2)	(0.3)	(0.1)	(5.6)
Depreciation life	(8.0)	0.4	(2.2)	(9.8)
Purchased demand timing changes	-	-	(19.4)	(19.4)
Nuclear capital costs	(3.6)	0.8	(11.2)	(14.0)
Tax related items	(12.2)	18.4	(6.9)	(0.7)
Operating and maintenance (O&M)	(15.5)	(17.8)	(16.7)	(50.0)
Other, net	<u>(0.1)</u>	<u>(0.1)</u>	<u>0.1</u>	<u>(0.1)</u>
Total DOC adjustments	(149.0)	1.7	(55.4)	(202.7)
Total DOC recommended rate increase	45.6	53.8	(5.0)	94.4
Estimated non-earnings DOC adjustments:				
Depreciation life	8.0	(0.4)	2.2	9.8
Sales forecast	37.4	-	-	37.4
Property tax	5.2	0.3	0.1	5.6
Purchased demand timing changes	-	-	19.4	19.4
Other	<u>0.5</u>	-	-	<u>0.5</u>
Total estimated non-earnings adjustments	51.1	(0.1)	21.7	72.7
Total pre-tax earnings impact	96.7	53.7	16.7	167.1

Wisconsin Electric & Natural Gas Rate Case

- **Seeking a revised, net 2017 electric rate increase of \$26.9 million (3.8%) and a natural gas rate increase of \$4.8 million (3.9%)**
 - **Based on a 2017 forecast test year**
 - **No change to ROE of 10.0% and equity ratio of 52.49%**
 - **Electric rate base of \$1.2 billion**
- **PSCW decision expected in fourth quarter of 2016**
- **Final rates will be effective January 1, 2017**

Docket # 4220-UR-122

Texas Electric Rate Case

- **SPS filed a Texas electric rate case for 2016**
 - Revised base rate increase request of ~\$69 million
 - Requested ROE of 10.25% and equity ratio of 53.97%
 - Rate base of ~\$1.7 billion
 - Based on September 2015 historic test year adjusted for known and measurable changes
- **Final rates will be effective retroactive to July 20, 2016**
- **Texas Commission decision and implementation of final rates anticipated in first quarter 2017**

Docket # 45524

New Mexico Electric Rate Case

- **SPS filed a New Mexico electric rate case for 2016**
 - Requested a rate increase of \$45.4 million
 - Requested ROE of 10.25% and equity ratio of 53.97%
 - Rate base of \$734 million
 - June 2015 historic test year adjusted for known and measurable changes
- **In May 2016, a blackbox settlement was filed for a non-fuel rate increase of \$23.5 million, pending commission approval with implementation of final rates anticipated in August 2016**

Docket # 15-00296-UT

2016 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$2.12 – \$2.27

	<i>Key Assumption Changes</i>	
Earnings Driver	<i>Previous</i>	<i>Current</i>
W/A Electric Sales	<i>Increase 0.5%</i>	Decrease 0.5%
Capital Rider Revenue	<i>Increase \$55-\$65 million</i>	Increase \$40-\$50 million
AFUDC – Equity	<i>Increase \$0-\$5 million</i>	Increase \$0-\$10 million

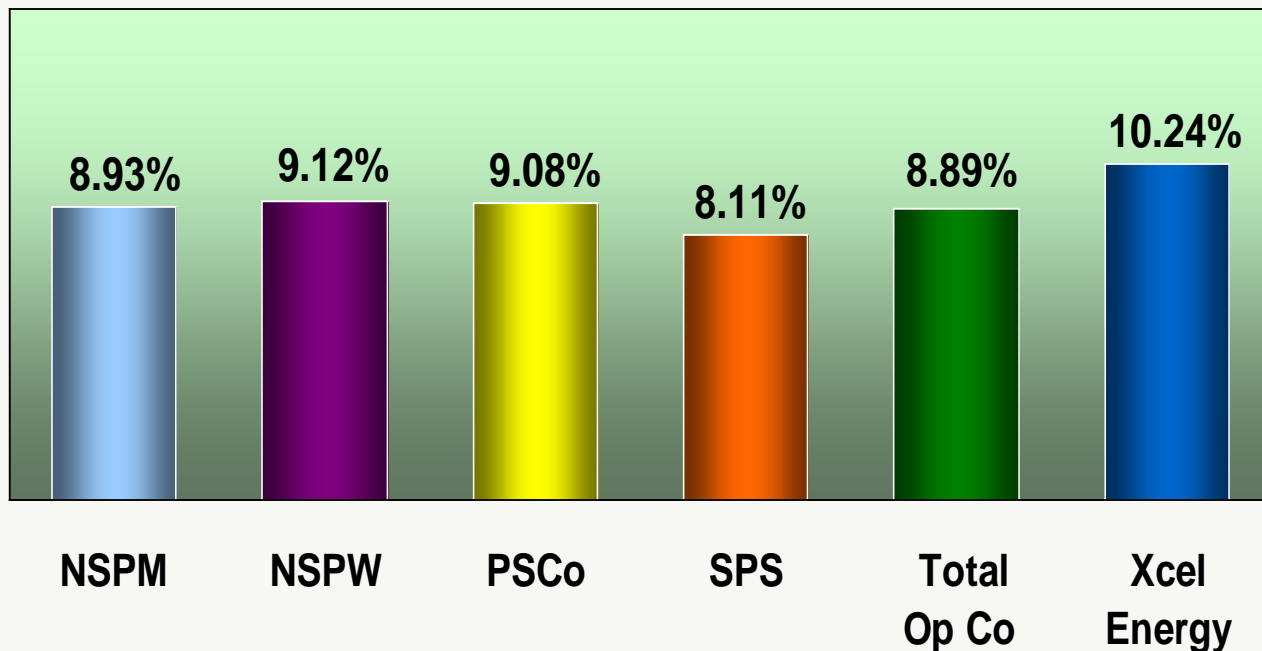
	<i>Sensitivities</i>	
Earnings Driver	<i>Sensitivity</i>	<i>EPS</i>
Retail Electric Sales	100 bps	+/- \$0.05
O&M Expenses	100 bps	+/- \$0.03

Assumes a 35% ETR and 509 million shares outstanding

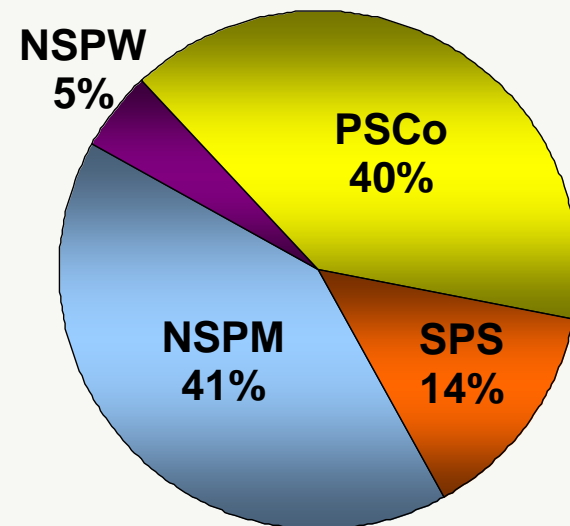
Appendix

ROE Results – GAAP & Ongoing Earnings

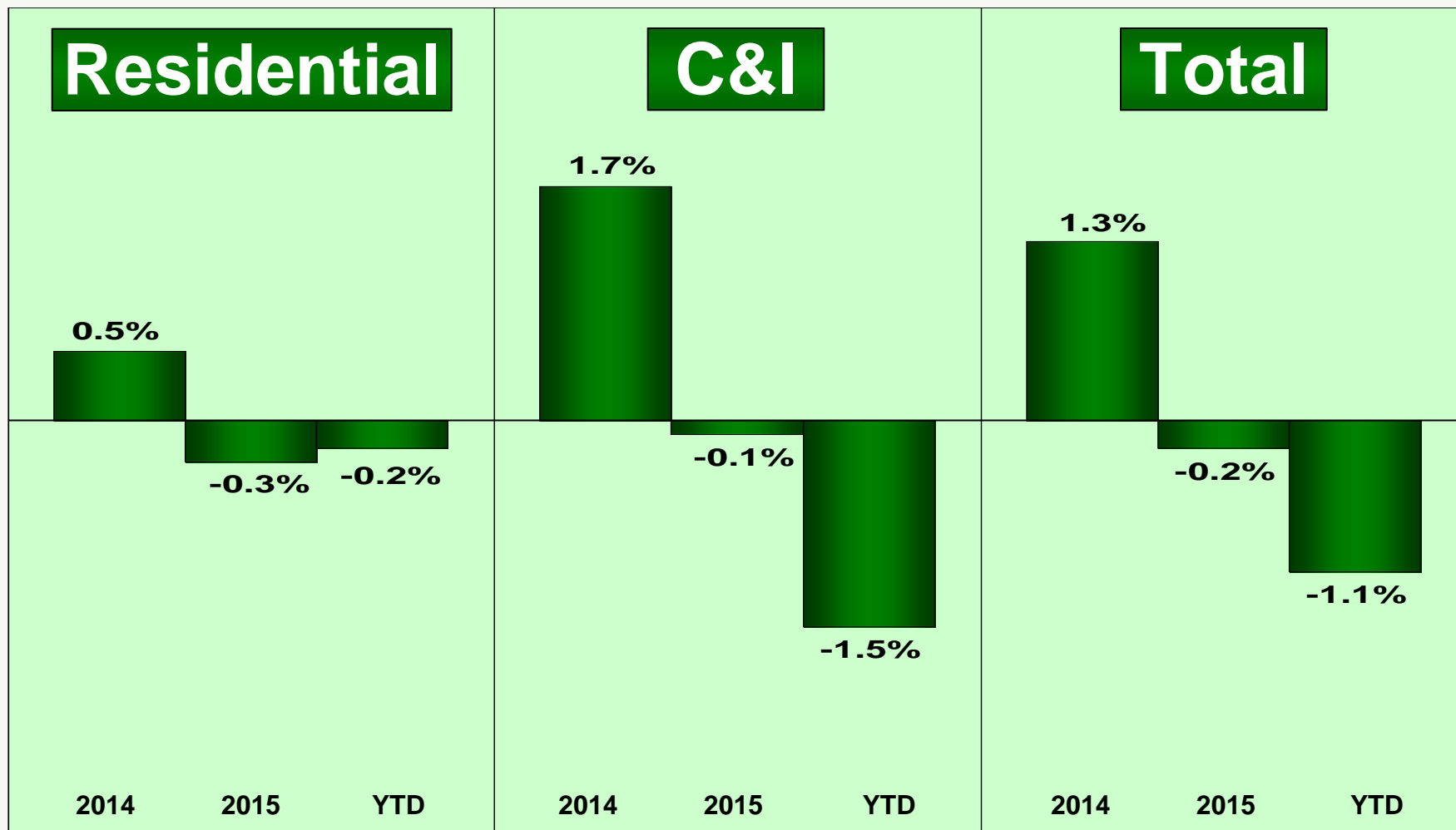
GAAP & Ongoing ROE Twelve Months Ended 6/30/2016



2015 Rate Base

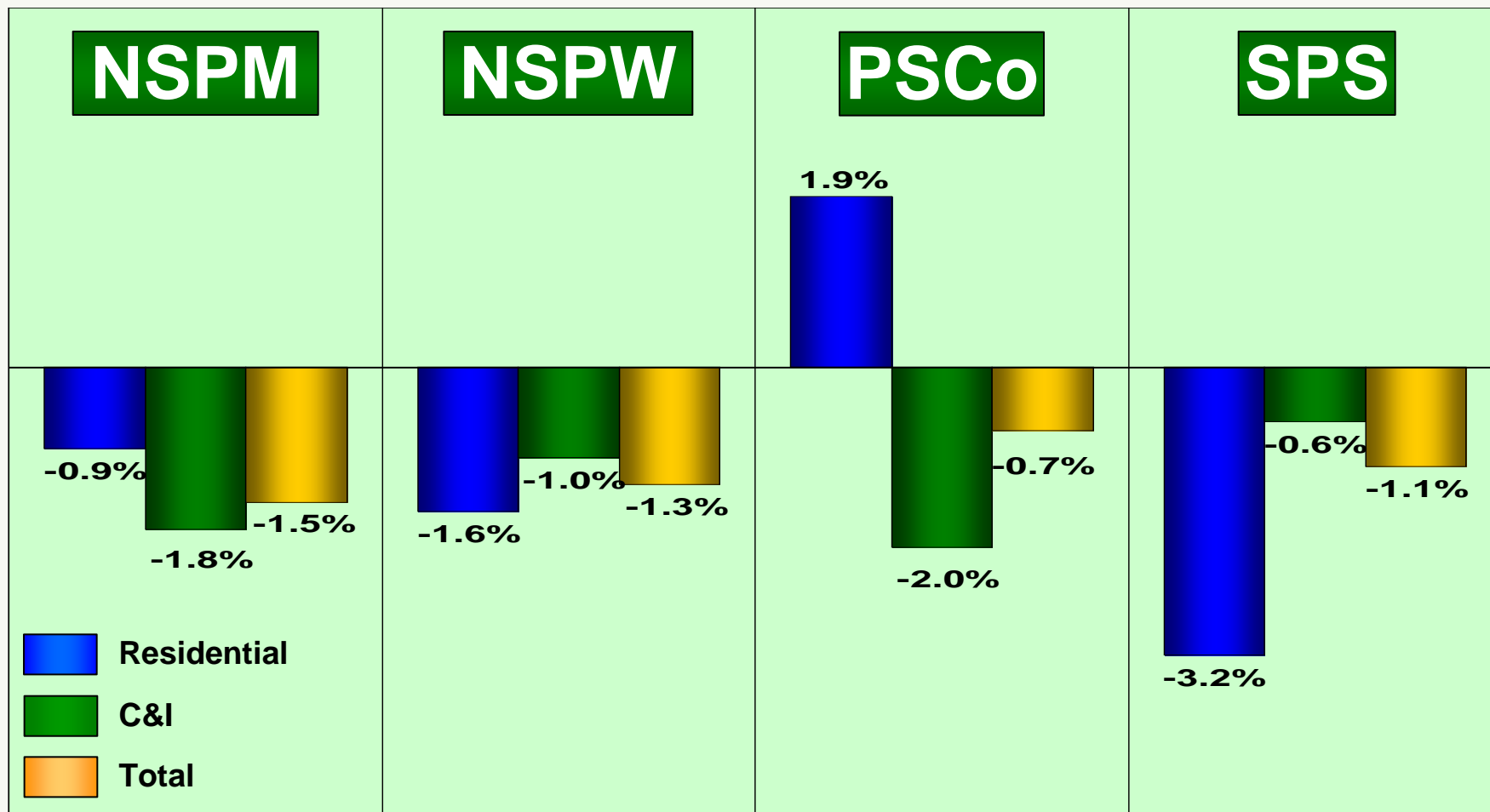


Xcel Energy W/A Electric Sales Growth



YTD figures exclude an extra day of sales for leap year

YTD W/A Electric Sales Growth



Figures exclude an extra day of sales for leap year

Regulatory & Authorized ROEs – 2015

Op Co	Jurisdiction	Rate Base (\$ millions)	Authorized ROE	W/A Earned ROE	Regulatory Plan
NSPM	MN Electric	\$7,742	9.72%	8.93%	2016-2018 MYP Filed
	MN Natural Gas	\$471	10.09%	9.71%	
	ND Electric	\$515	10.00%	8.38%	2013-2017 MYP
	ND Natural Gas	\$50	10.75%	8.87%	
	SD Electric	\$541	Blackbox	6.21%	2015-2017 MYP
PSCo	CO Electric	\$6,520	9.83%	9.96%*	2015-2017 MYP
	CO Natural Gas	\$1,845	9.50%	6.04%	2015-2017 MYP
	PSCo Wholesale	\$620	***	***	
SPS	TX Electric	\$1,662	9.70%	7.43%**	2016 Rate Case Filed
	NM Electric	\$711	9.96%	5.69%**	2016 Rate Case Filed
	SPS Wholesale	\$857	****	****	
NSPW	WI Electric	\$1,034	10.20%	10.64%	2017 Rate Case Filed
	WI Natural Gas	\$96	10.20%	6.82%	2017 Rate Case Filed
	MI Electric & Nat. Gas	\$29	10.10%(e); 10.20%(g)	7.51%	2015-16 MYP (elec)

* Prior to customer refunds based on earnings test. PSCo earned 9.90% after customer refunds.

** Actual ROE, not weather-normalized.

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

**** The transmission ROE = 10.5% and production formula ROE = 10.0%.

Operating Company ROE Sensitivities

Sensitivity to 100 bps change in ROE

Op Co	Jurisdiction	2015 Rate Base (\$ millions)	Revenue Requirement (\$ millions)	EPS
NSPM	MN Electric	\$7,742	\$63	+/- \$0.080
	MN Natural Gas	\$471	\$4	+/- \$0.005
	ND Electric	\$515	\$4	+/- \$0.005
	ND Natural Gas	\$50	\$0	+/- \$0.001
	SD Electric	\$541	\$4	+/- \$0.006
PSCo	CO Electric	\$6,520	\$56	+/- \$0.072
	CO Natural Gas	\$1,845	\$16	+/- \$0.020
SPS	TX Electric	\$1,662	\$13	+/- \$0.017
	NM Electric	\$711	\$6	+/- \$0.008
NSPW	WI Electric	\$1,034	\$8	+/- \$0.011
	WI Natural Gas	\$96	\$1	+/- \$0.001

- Assumes authorized equity ratio, a 35% ETR, and 509 million shares outstanding
- Rate base figures obtained from our jurisdictional regulatory filings

Financing Plan for 2016

Issuer	Security	Amount (millions)	Timing	Tenor	Coupon
Hold Co	Senior Unsecured	\$400	Completed	5 Yr	2.40%
Hold Co	Senior Unsecured	\$350	Completed	9 Yr	3.30%
NSPM	First Mortgage Bonds	\$350	Completed	30 Yr	3.60%
PSCo	First Mortgage Bonds	\$250	Completed	30 Yr	3.55%
SPS	First Mortgage Bonds	\$300	Q3	N/A	N/A

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

Upcoming 2016 Third Quarter Events

- **Barclays Kohler Conference: August 18**
- **CFA “investMnt” Conference: August 23**
- **Barclays Conference: September 7**
- **Wolfe Research Conference: September 28**