



2016 Year End Earnings Release Presentation

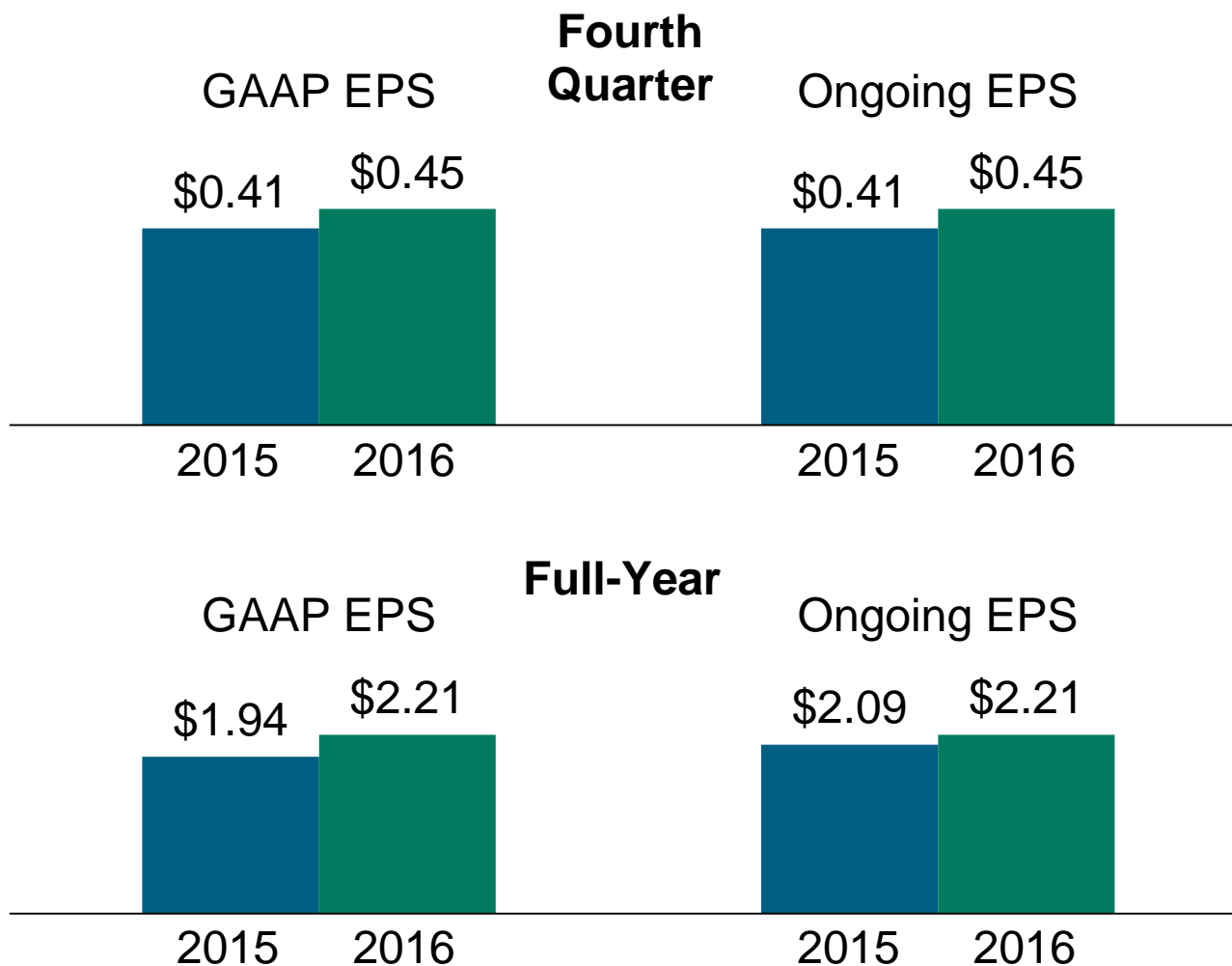
February 2, 2017



Safe Harbor

Except for the historical statements contained in this presentation, the matters discussed herein, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including our 2017 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 expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and Sept. 30, 2016, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: 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; unusual weather; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; 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; financial or regulatory accounting policies imposed by regulatory bodies; outcomes of regulatory proceedings; availability or cost of capital; and employee work force factors. See note 6 in our 2016 year end earnings report for more information about our use of non-GAAP numbers and a reconciliation of ongoing earnings to GAAP earnings.

EPS Results



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

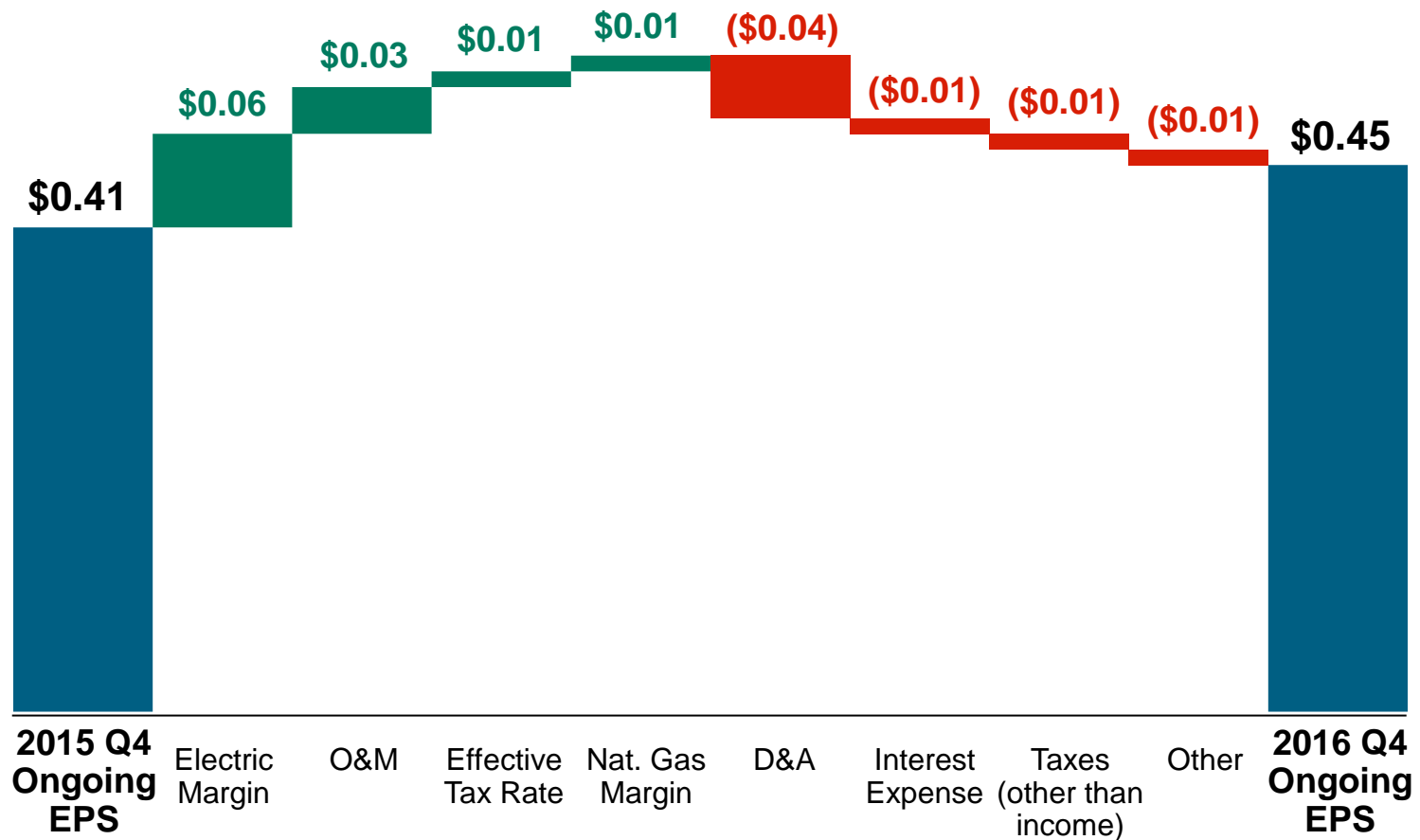
EPS Results by Operating Company

	Fourth Quarter		Full-Year	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
NSPM	\$ 0.21	\$ 0.20	\$ 0.96	\$ 0.85
PSCo	0.17	0.16	0.91	0.92
SPS	0.06	0.04	0.30	0.25
NSPW	0.03	0.03	0.14	0.15
Equity earnings	0.01	0.01	0.05	0.04
Regulated utility	0.48	0.44	2.35	2.21
Holding company and other	(0.04)	(0.03)	(0.15)	(0.11)
Total ongoing diluted EPS	\$ 0.45	\$ 0.41	\$ 2.21	\$ 2.09
Loss on Monticello LCM/EPU project	-	-	-	(0.16)
Total GAAP diluted EPS	\$ 0.45	\$ 0.41	\$ 2.21	\$ 1.94

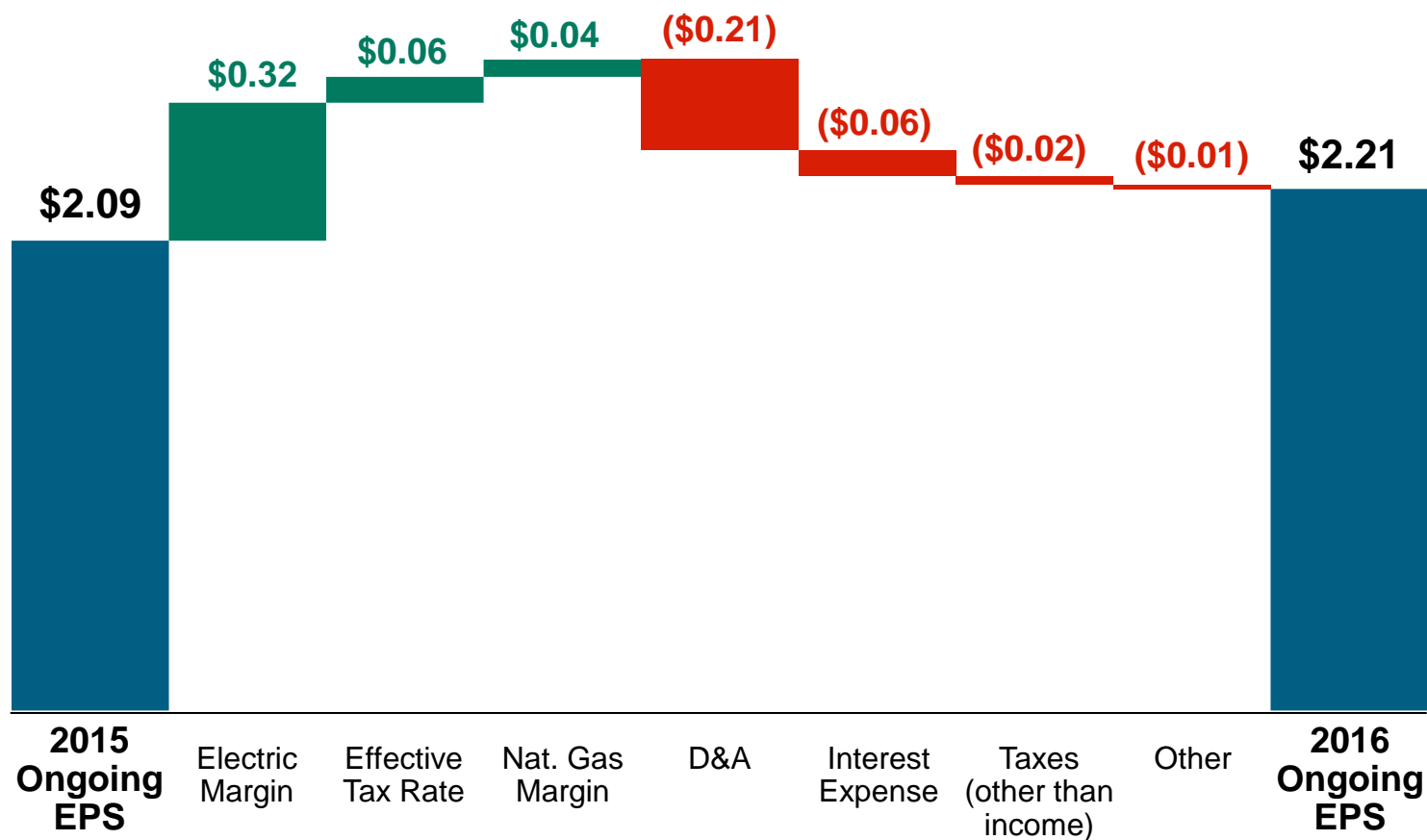
2016 Highlights

- Achieved earnings guidance for 12th consecutive year
- Increased dividend 6.3%
- Held O&M expenses flat for third consecutive year
- Completed 200 MW Courtenay Wind Farm
- Rush Creek 600 MW wind project approved
- Minnesota resource plan (reduces CO₂ 60% by 2030) approved
- Proposed 750 MW of self-build wind projects in MN & ND
- Filed decoupling & advanced distribution proposals in Colorado
- Reached a four-year settlement in the Minnesota rate case
- Resolved rate cases in Wisconsin, Texas and New Mexico
- Named #1 utility wind provider by AWEA for 12th consecutive year
- Introduced a five-year capital forecast with rate base growth of ≈5.5%

Quarterly Ongoing EPS Change

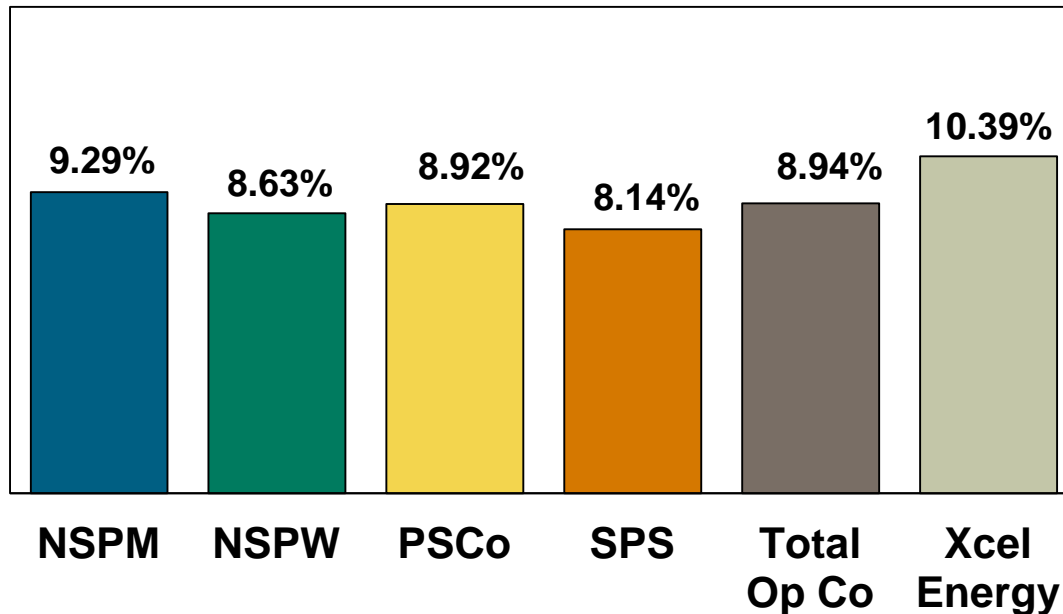


Annual Ongoing EPS Change

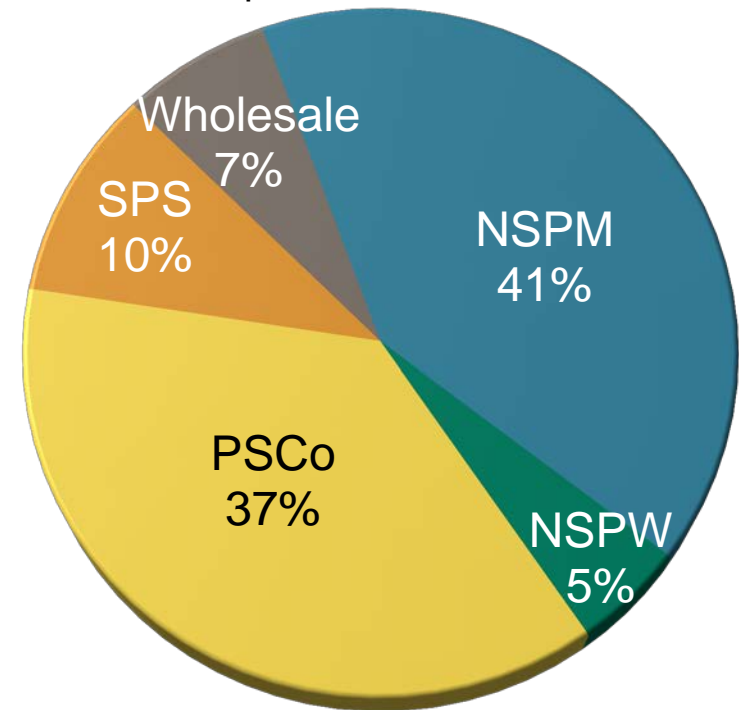


ROE Results – GAAP & Ongoing Earnings

2016 GAAP & Ongoing ROE

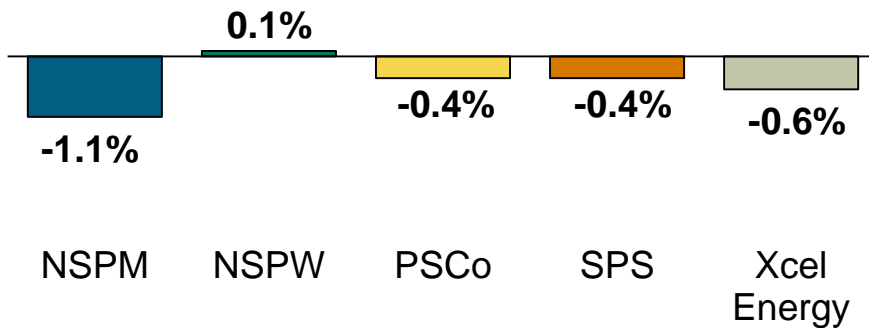


2015 Rate Base \$22.7 billion

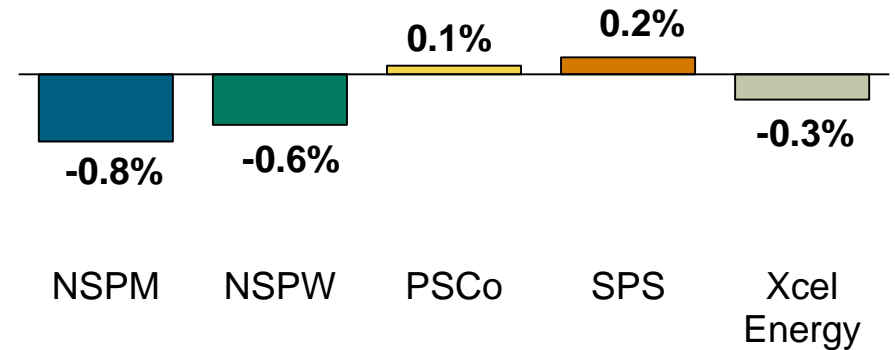


Economic, Sales, and Customer Data

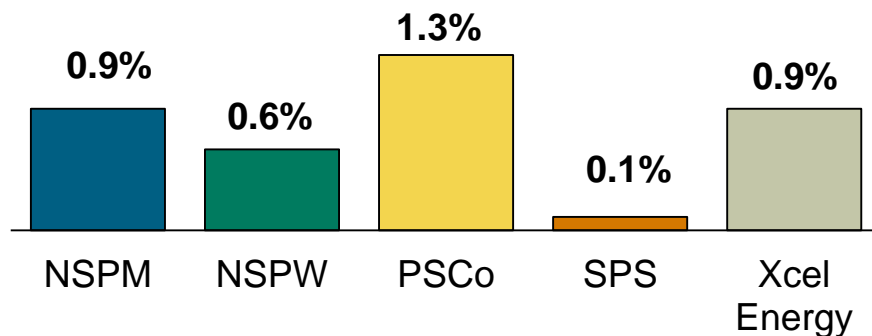
2016 Q4 W/A Electric Sales Growth



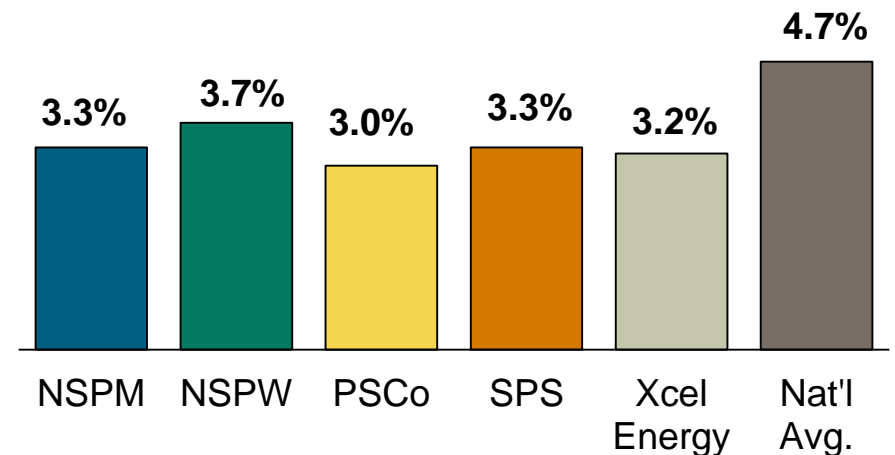
2016 W/A Electric Sales Growth (excluding leap day)



2016 YoY Electric Customer Growth



December Unemployment



Minnesota Multi-Year Settlement

Dollars in Millions, Incremental	2016	2017	2018	2019	Total
Settlement Revenue	\$75.0	\$59.9	\$0	\$50.1	\$185.0

- In August 2016, a settlement was reached, resolving all revenue issues
- Total \$185 million increase over four years
- Includes a sales forecast true up for all classes in 2016, and a combination of decoupling and a true-up for each year thereafter
- Reflects an ROE of 9.2% and an equity ratio of 52.5%
- Continued use of all existing riders, but no new riders during MYP
- Nuclear costs in the rate case will not be considered provisional
- Four-year stay-out provision
- Property tax true-up for 2017-2019
- Capital investment true-up for 2016-2019
- Settlement requires Minnesota Commission approval, expected in June

New Mexico Electric Rate Case

- SPS filed a New Mexico electric rate case in November 2016
 - Requested base rate increase of ~\$41.4 million (10.9%)
 - ROE of 10.1% and equity ratio of 53.97%
 - Rate base of ~\$832 million
 - Based on June 2018 forward test year
 - Reflects a 380 MW decline from wholesale customers
 - Seeks to shorten the service life of the Tolk coal plant
- New Mexico Commission decision and implementation of final rates anticipated in the second half of 2017

Texas 2016 Electric Rate Case

- SPS filed a Texas electric rate case for 2016
 - Revised base rate increase request of ~\$61.5 million
 - Requested ROE of 10.25% and equity ratio of 53.97%
 - Rate base of ~\$1.7 billion
- In January 2017, the Commission approved a settlement:

Dollars in Millions	Annual
Base rate increase	\$35.2
Power factor revenues	12.6
Rate case expenses (separate proceeding)	<u>4.0</u>
Total estimated impact	\$51.8

- Final rates will be effective retroactive to July 20, 2016

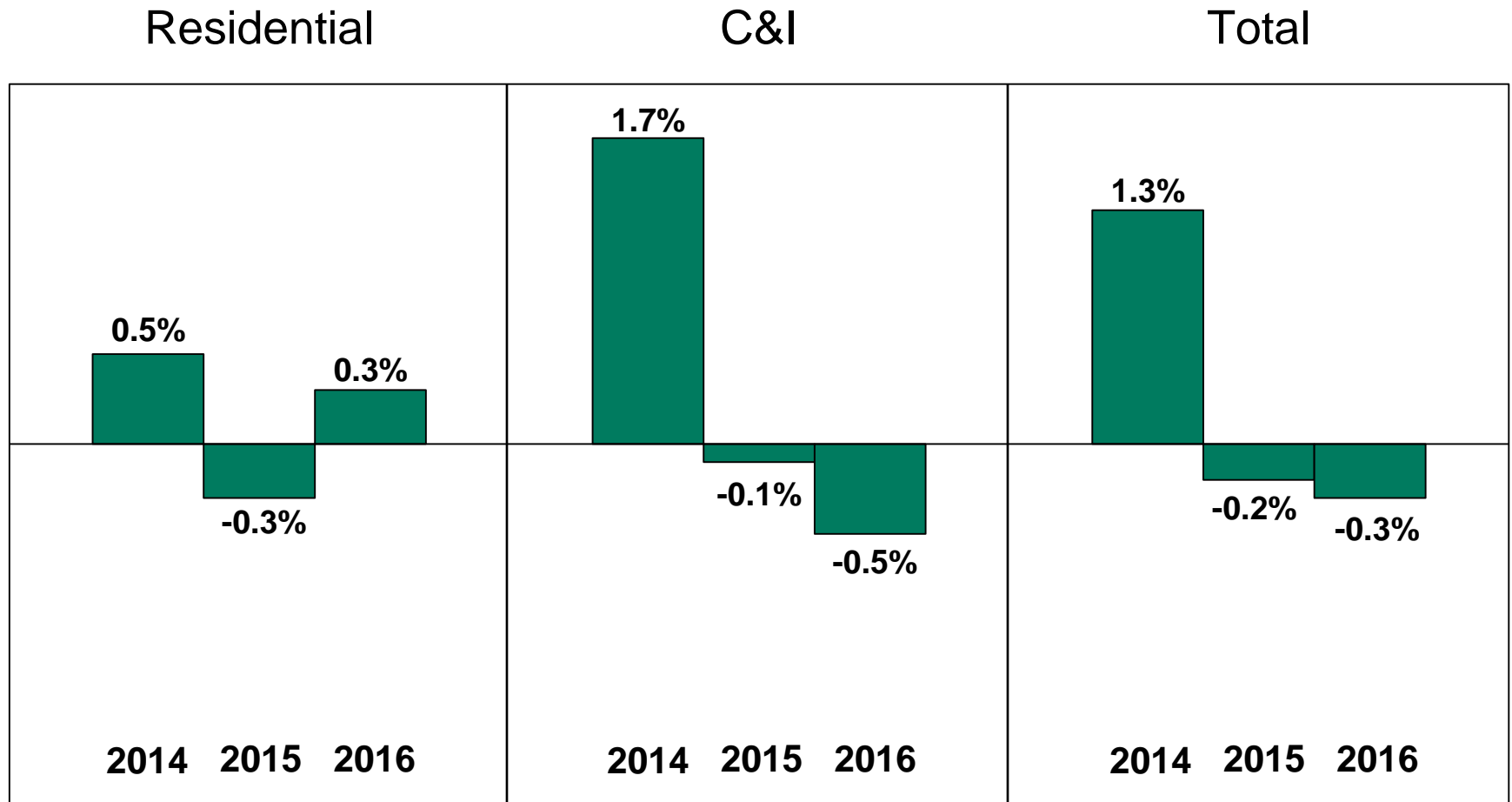
2017 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$2.25 – \$2.35

Earnings Driver	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather patterns for the year
W/A electric sales	Increase 0% - 0.5%
W/A natural gas sales	Increase 0% - 0.5%
Capital rider revenue	Increase \$60 million - \$70 million
O&M expenses	Flat
Depreciation expense	Increase ~\$165 million - \$175 million
Property taxes	Increase ~\$0 million - \$10 million
Interest exp. (net of AFUDC-debt)	Increase \$20 million - \$30 million
AFUDC-equity	Increase ~\$0 million - \$10 million
Effective tax rate	~32% - 34%
Average common stock & equiv.	~509 million shares

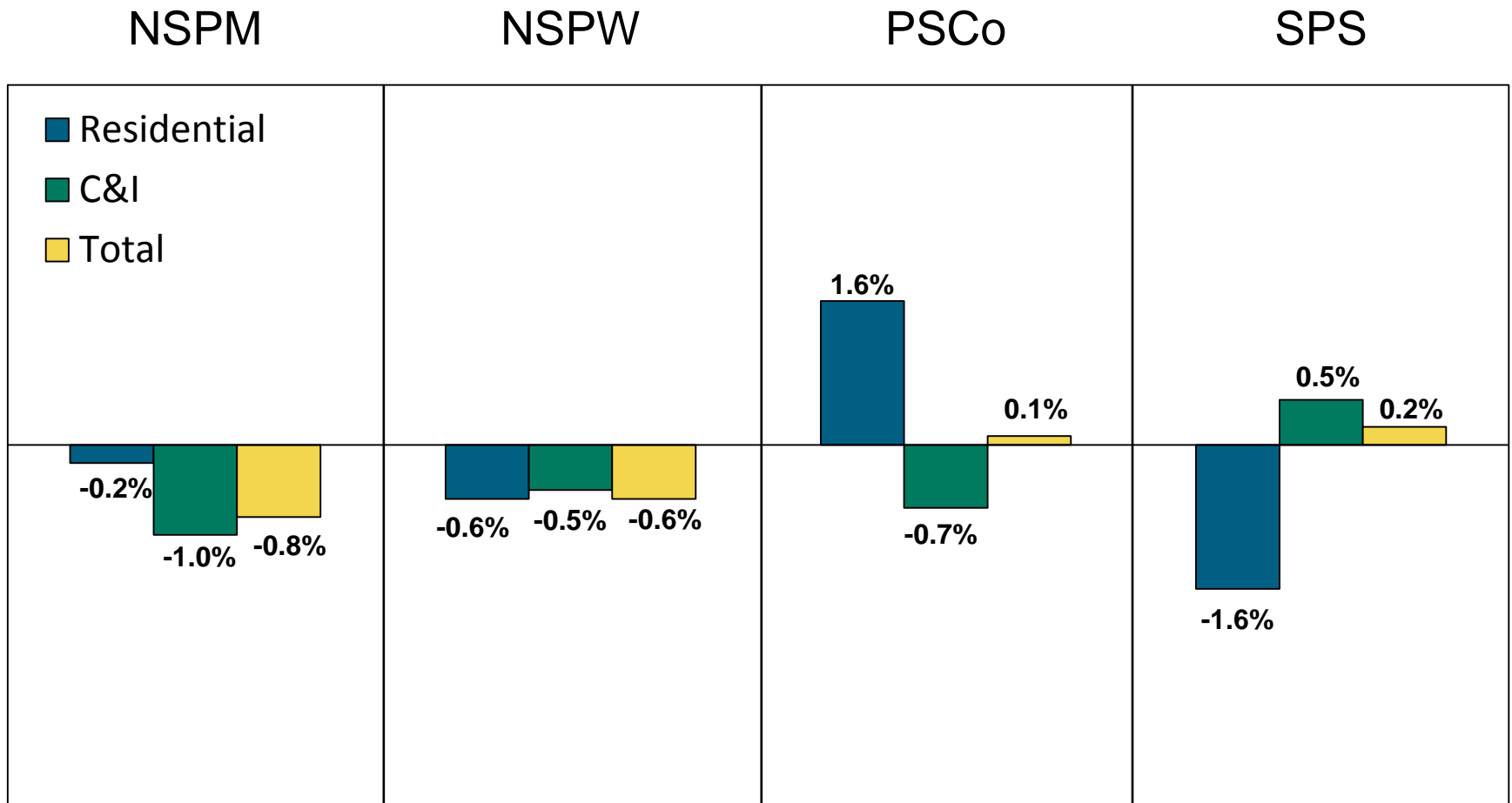
Appendix

Xcel Energy W/A Electric Sales Growth



2016 figures exclude an extra day of sales for leap year

2016 W/A Electric Sales Growth



Figures exclude an extra day of sales for leap year

Regulatory & Authorized ROEs – 2015

OpCo	Jurisdiction	Rate Base (\$ millions)	Authorized ROE	W/A Earned ROE	Regulatory Plan
NSPM	MN Electric	\$7,742	9.72%	8.93%	2016-2019 Settlement
	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	New Rates Late 2015
	PSCo Wholesale	620	***	***	
SPS	TX Electric	1,662	9.70	7.43**	2016 Rates Approved
	NM Electric	711	9.96	5.69**	2016 Rates Approved
	SPS Wholesale	857	****	****	
NSPW	WI Electric	1,034	10.20	10.64	2017 Rate Case
	WI Natural Gas	96	10.20	6.82	2017 Rate Case
	MI Electric & Nat. Gas	29	10.10(e); 10.20(g)	7.51	

* 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

OpCo	Jurisdiction	Rate Base (\$ millions)	Revenue Requirement (\$ millions)	EPS
NSPM	MN Electric	\$7,742	\$61	+/- \$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	\$54	+/- \$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 33% ETR, and 509 million shares outstanding
Rate base figures obtained from our jurisdictional regulatory filings

2017 Financing Plan

Issuer	Security	Amount (millions)
Hold Co	Senior Unsecured	\$300
NSPM	First Mortgage Bonds	\$600
NSPW	First Mortgage Bonds	\$100
PSCo	First Mortgage Bonds	\$400
SPS	First Mortgage Bonds	\$250

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

Upcoming 2017 First Quarter Events

- Fixed Income Meetings – Boston & NYC: February 16-17
- Barclays Credit Conference: February 28
- UBS Conference: March 1
- Morgan Stanley Conference: March 2
- Texas & Kansas City Non-deal Roadshow: March 9-10
- Barclays Europe Meetings: March 20-23