



Third Quarter 2017 Earnings Report Presentation

October 26, 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 and 2018 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, 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.

2017 YTD Highlights

- Revised long-term EPS growth objective to 5-6%
- Narrowed 2017 GAAP & ongoing EPS guidance to \$2.27 to \$2.32
- Introduced 2018 GAAP & ongoing EPS guidance of \$2.37 to \$2.47
- Updated five-year capital forecast:
 - Base capital forecast of \$19 billion with rate base CAGR of 5.5%
 - Upside capital forecast of up to \$20.5 billion with rate base CAGR of 6.3%
- NSP-Minnesota proposal for 1,550 MW of wind approved (ownership of 1,150 MW)
- NSP-Minnesota four-year MYP electric rate case approved
- Filed a stipulation for the Colorado Energy Plan, which proposes:
 - Early retirement of 2 coal units
 - Addition of up to 1,000 MW of wind
 - Addition of up to 700 MW of solar
 - Addition of up to 700 MW of natural gas and/or storage
- Proposed to build and own a 300 MW wind farm in South Dakota
- Increased dividend ~6%

Steel for Fuel

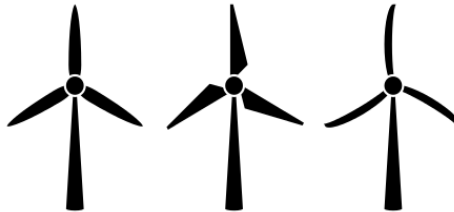
Capital recovery costs offset by lower fuel and O&M costs and tax credits

Wind generation displaces more expensive coal & natural gas generation, resulting in significant customer savings

Adding 3,680 MW of wind capacity by 2021 (83% owned)

Rush Creek
Blazing Star 1 & 2
Lake Benton
Foxtail
Hale
Sagamore
Dakota Range

Crowned Ridge
Freeborn
630 MW of PPAs



Lower Fuel Costs

Lower O&M

Capture PTC

Lower Emissions

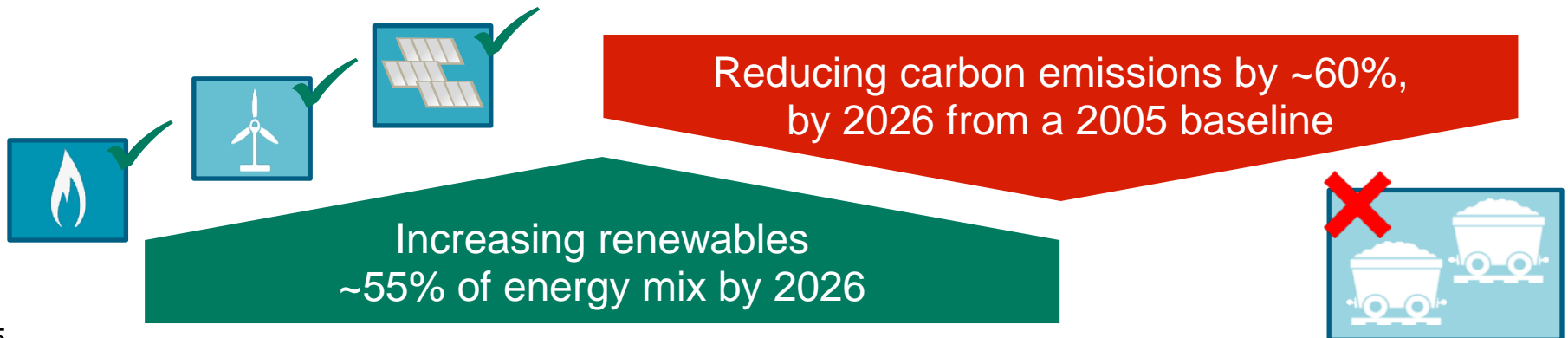
Economic, zero-emission energy enabled by:

- High wind capacity factors in our states
- Supportive regulatory environment
- Production tax credit

Colorado Energy Plan

- Potential capital investment of up to \$1.5 billion
- Early retirement of 660 MW of coal generation:
 - Comanche 1 (325 MW) by 2022
 - Comanche 2 (335 MW) by 2025
- Up to 1,000 MW of wind
- Up to 700 MW of solar
- Up to 700 MW of natural gas and/or storage
- Targeted ownership: 50% of renewables; 75% of natural gas and/or storage
- Commission decision is anticipated in summer 2018

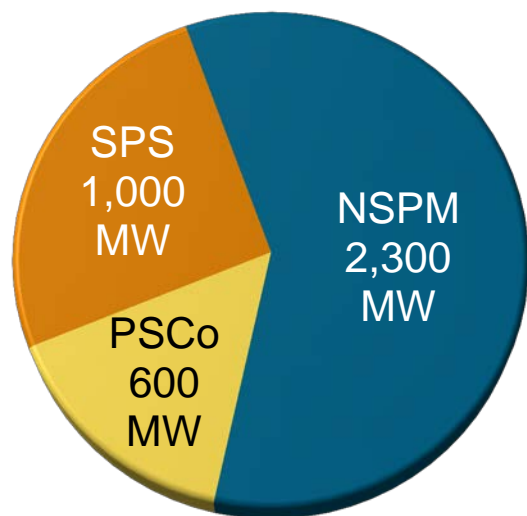
No increase in customer bills



Steel for Fuel

Cost effective renewables: Emission reductions with significant customer savings

Owned Wind Capacity
by Company by 2021 *



Project	Capacity	State	Estimated Completion	Regulatory Status
Rush Creek	600 MW	CO	2018	Approved
Freeborn	200 MW	MN	2020	Approved
Blazing Star 1	200 MW	MN	2019	Approved
Blazing Star 2	200 MW	MN	2020	Approved
Lake Benton	100 MW	MN	2019	Approved
Foxtail	150 MW	ND	2019	Approved
Crowned Ridge	300 MW	SD	2019	Approved
Dakota Range	300 MW	SD	2021	Pending
Hale	478 MW	TX	2019	Pending
Sagamore	<u>522 MW</u>	NM	2020	Pending
Total New Ownership *	3,050 MW			
Existing Ownership	<u>850 MW</u>	NSP		In service
Grand Total *	3,900 MW			By 2021

* Does not include proposed Colorado Energy Plan

Executing on Investment Plan

Base Plan

~5.5%
Rate Base
Growth

Base Capital Plan
\$19.0 billion
2018-2022

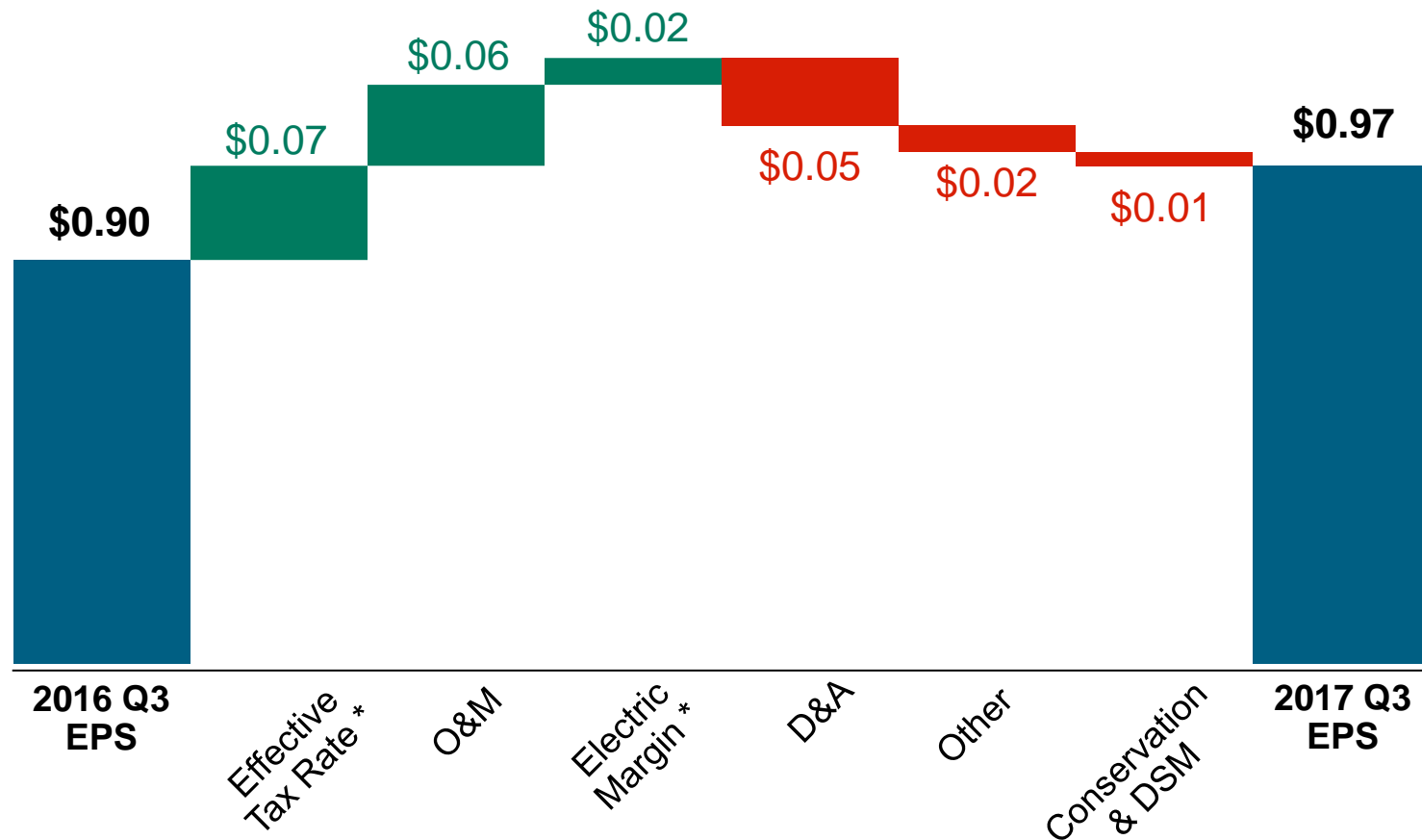
Upside Plan

~6.3%
Rate Base
Growth

Colorado Energy Plan
Capital Investment
Up to \$1.5 billion

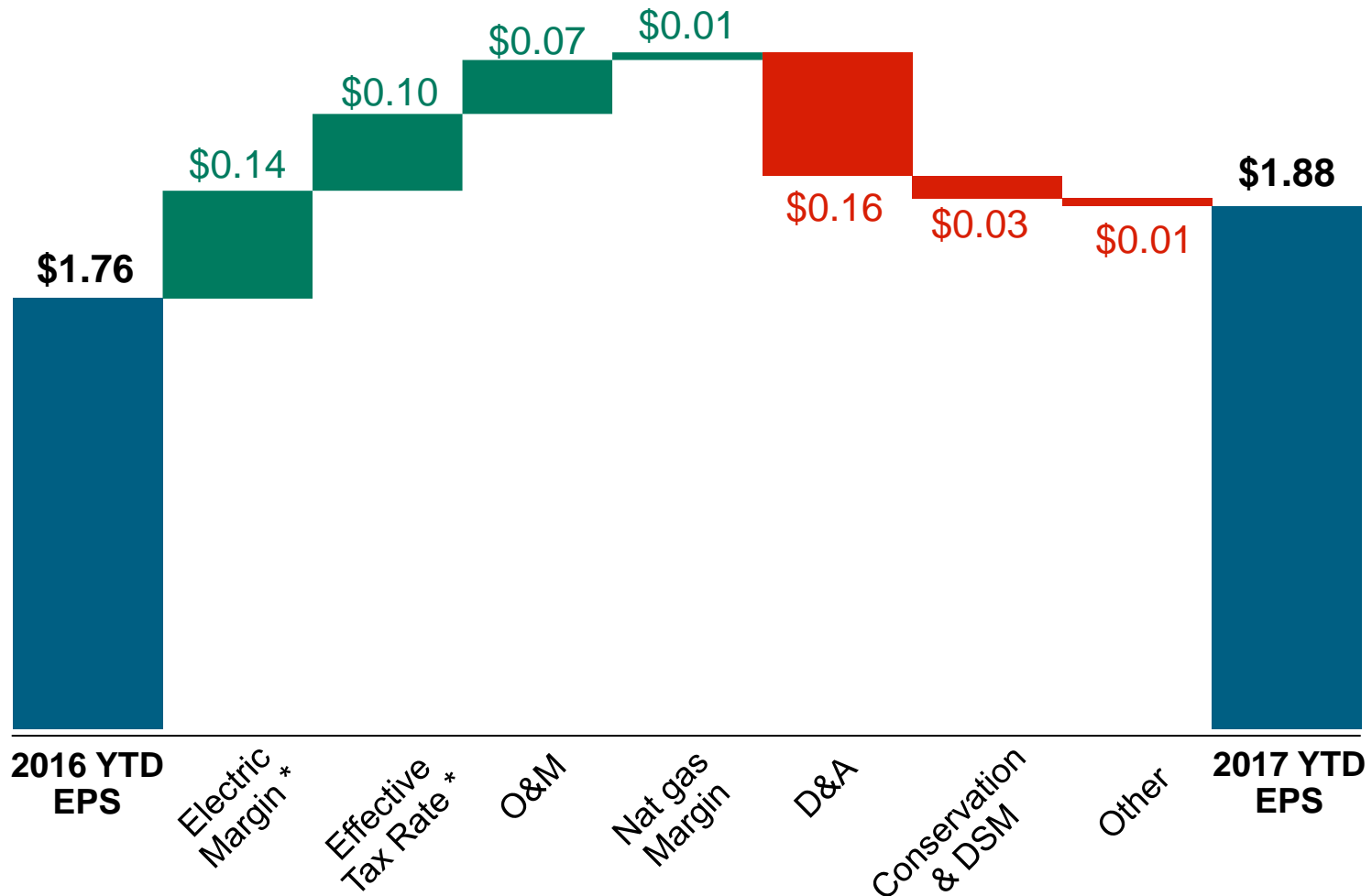
Base Capital Plan
\$19.0 billion
2018-2022

Quarterly GAAP & Ongoing EPS Change



* Lower ETR includes the impact of an additional \$9.6 million of wind production tax credits (PTCs) for the three months ended Sept. 30, 2017, which are largely flowed back to customers through electric margin

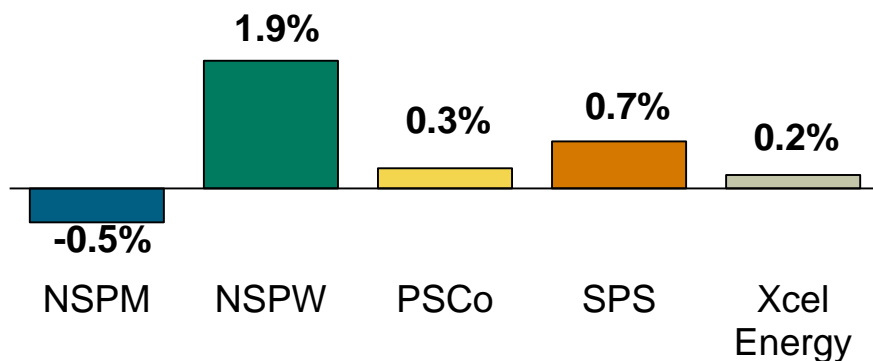
YTD GAAP & Ongoing EPS Change



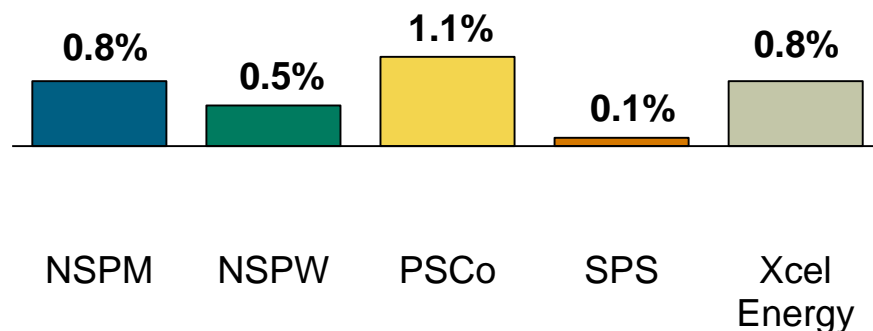
* Lower ETR includes the impact of an additional \$18.4 million of wind production tax credits (PTCs) for the nine months ended Sept. 30, 2017, which are largely flowed back to customers through electric margin

Economic, Sales, and Customer Data

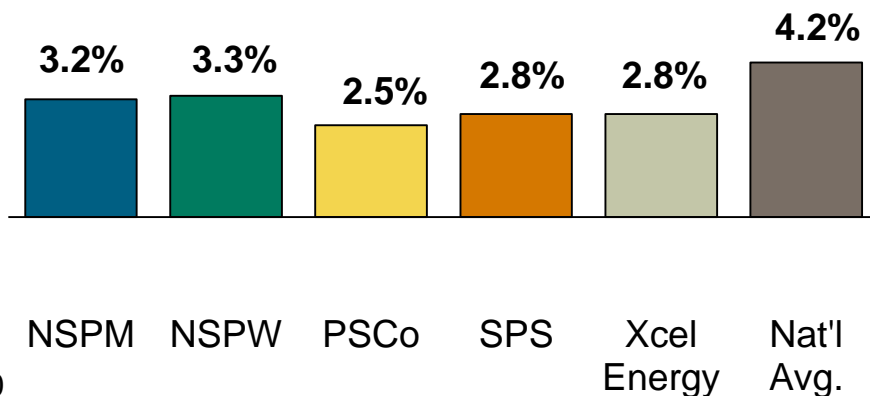
2017 YTD W/A Electric Sales Growth
(adjusted for leap day)



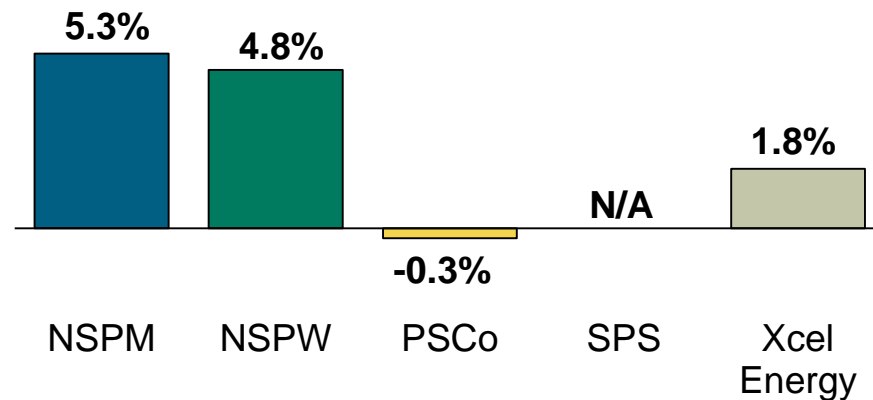
2017 Q3 YoY Electric Customer Growth



September Unemployment



2017 YTD W/A Nat. Gas Sales Growth
(adjusted for leap day)



Wisconsin Rate Case

- NSPW filed a Wisconsin electric & natural gas rate case in May 2017
 - Requested electric rate increase of \$24.7 million (3.6%)
 - Requested nat. gas rate increase of \$12.0 million (10.1%)
 - ROE of 10.0% and equity ratio of 52.53%
 - Rate base of ~\$1.2 billion (electric) and \$138 million (nat. gas)
 - Based on 2018 forward test year
- PSCW Staff recommended rate increases of \$10.9 million (electric) and \$9.9 million (natural gas)
- Commission decision anticipated in December 2017
- New rates expected to be effective January 2018

Texas Electric Rate Case

- In 2017, SPS filed a Texas electric rate case
 - Requested a net electric rate increase of \$54.6 million (5.8%)
 - ROE of 10.25% and equity ratio of 53.97%
 - Electric rate base of ~\$1.9 billion
 - Based on a historic 12-month ended June 30, 2017 test year
- Procedural schedule:
 - Intervenor testimony – February 22, 2018
 - PUCT Staff testimony – March 1, 2018
 - PUCT Staff and intervenor cross-rebuttal testimony – March 22, 2018
 - SPS rebuttal testimony – March 23, 2018
 - Hearings – April 10-20, 2018
 - Commission decision – third quarter 2018
 - New rates expected to be effective retroactive to January 2018

Colorado Multi-Year Natural Gas Rate Case

(\$ Millions)	2018	2019	2020	Total
New Revenue Request	\$63.2	\$32.9	\$42.9	\$139.0
PSIA revenue conversion to base rates	<u>0</u>	<u>93.9</u>	<u>0</u>	<u>93.9</u>
Total	\$63.2	\$126.8	\$42.9	\$232.9
Projected YE Rate Base (\$ Billions)	\$1.5	\$2.3	\$2.4	

- PSCo filed a Colorado natural gas multi-year rate case in June 2017
 - Requested a natural gas rate increase of \$139 million over 3 years
 - Requested an ROE of 10.0% and equity ratio of 55.25%
 - Includes transfer of \$94 million of PSIA rider, which will not impact overall customer bills
 - Rate base in 2019 reflects the roll-in of capital associated with the PSIA rider
- Procedural schedule:
 - Rebuttal testimony – November 3, 2017
 - Intervenor surrebuttal testimony – November 15, 2017
 - Hearings – December 11-15 & 18-19, 2017
 - Interim rates, subject to refund, expected to be effective on January 1, 2018
 - Commission decision expected in March 2018

Colorado Multi-Year Electric Rate Case

(\$ Millions)	2018	2019	2020	2021	Total
New Revenue Request	\$74.6	\$74.9	\$59.7	\$35.7	\$244.9
CACJA & TCA revenue	<u>133.1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>133.1</u>
Total	\$207.7	\$74.9	\$59.7	\$35.7	\$378.0
Projected YE Rate Base (\$ Billions)	\$6.8	\$7.1	\$7.3	\$7.4	

- PSCo filed a Colorado electric multi-year rate case in October 2017
 - Requested an electric rate increase of \$245 million over 4 years
 - Requested an ROE of 10.0% and equity ratio of 55.25%
 - Transfer of \$133 million of CACJA & TCA riders will not impact customer bills
 - Rate base in 2019 reflects the roll-in of capital associated with the CACJA & TCA riders
- Commission decision and final rates expected to be effective by June 2018

2017 GAAP & Ongoing Earnings Guidance

GAAP & Ongoing EPS Guidance Range: \$2.27 – \$2.32

Earnings Drivers	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather for the rest of the year
W/A electric sales	Increase 0% - 0.5%
W/A natural gas sales	Increase 0% - 0.5%
Capital rider revenue	Increase \$45 million - \$55 million
O&M expenses	Flat
Depreciation expense	Increase ~\$180 million - \$190 million
Property taxes	Increase ~\$0 million - \$10 million
Interest exp. (net of AFUDC-debt)	Increase \$10 million - \$20 million
AFUDC-equity	Increase ~\$10 million - \$20 million
Effective tax rate	~31%
Average common stock & equiv.	~509 million shares

Ongoing earnings could differ from those prepared in accordance with GAAP due to unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing diluted EPS to corresponding GAAP diluted EPS.

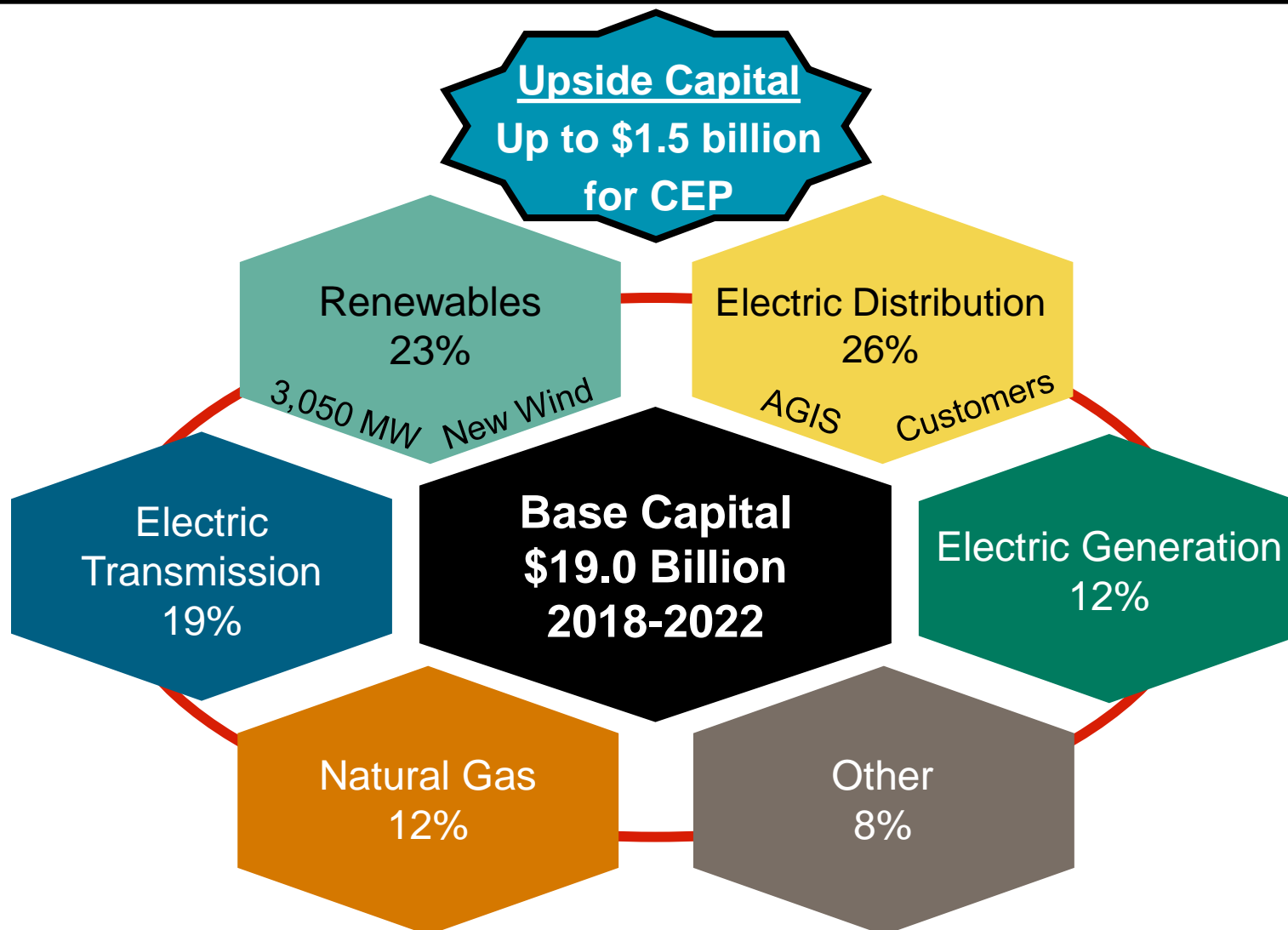
2018 GAAP & Ongoing Earnings Guidance

GAAP & Ongoing EPS Guidance Range: \$2.37 – \$2.47

Earnings Drivers	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather
W/A electric sales	Increase 0% - 0.5%
W/A natural gas sales	Decline 0% - 0.5%
Capital rider revenue	Increase \$40 million - \$50 million
O&M expenses	Flat
Depreciation expense	Increase ~\$120 million - \$130 million
Property taxes	Increase ~\$35 million - \$45 million
Interest exp. (net of AFUDC-debt)	Increase \$20 million - \$30 million
AFUDC-equity	Increase ~\$20 million - \$30 million
Effective tax rate	~30-32%
Average common stock & equiv.	~510 million shares

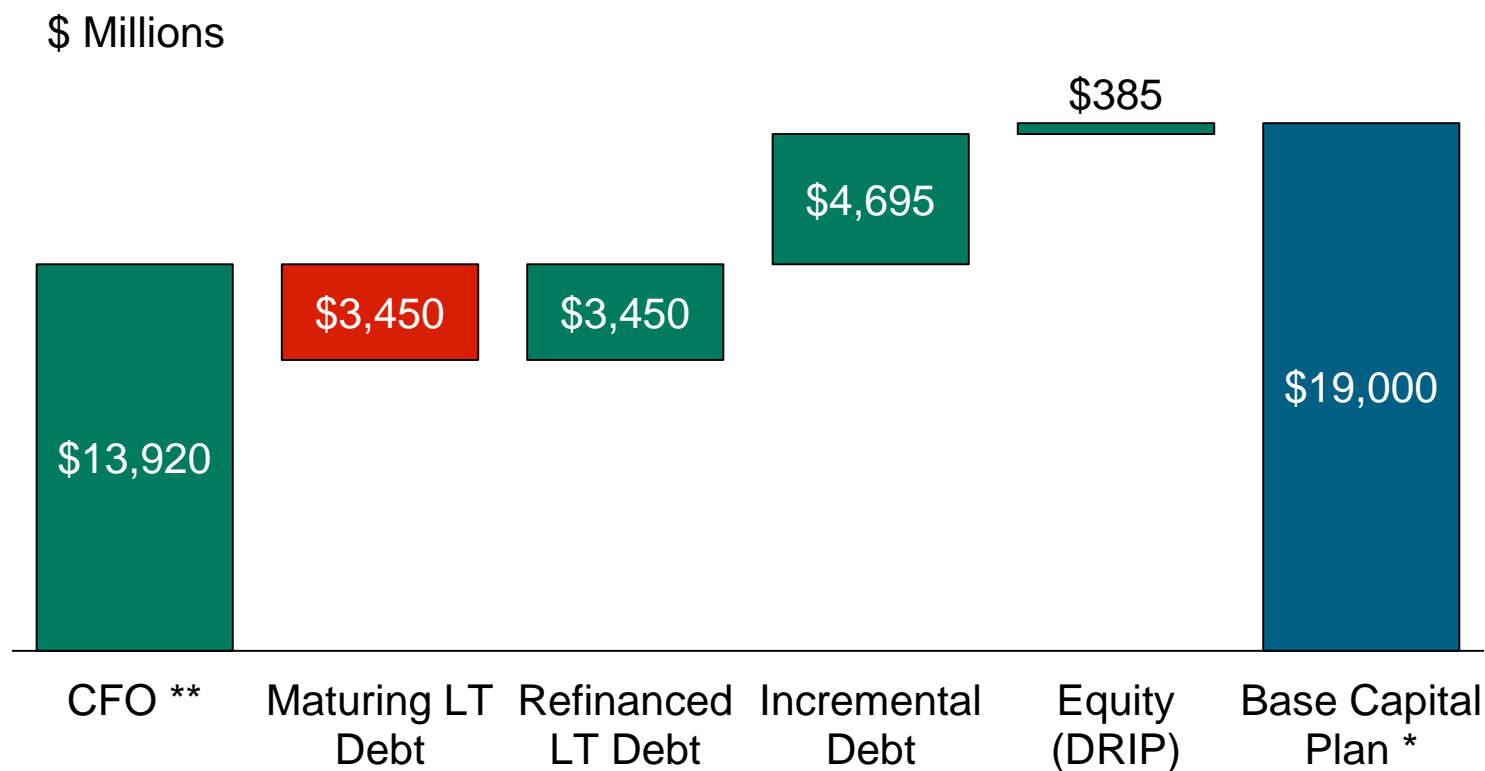
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Investing in Infrastructure



The base capital plan includes the SPS wind and Dakota Range wind proposals, but does not include the Colorado Energy Plan (CEP), which could increase investment by up to \$1.5 billion

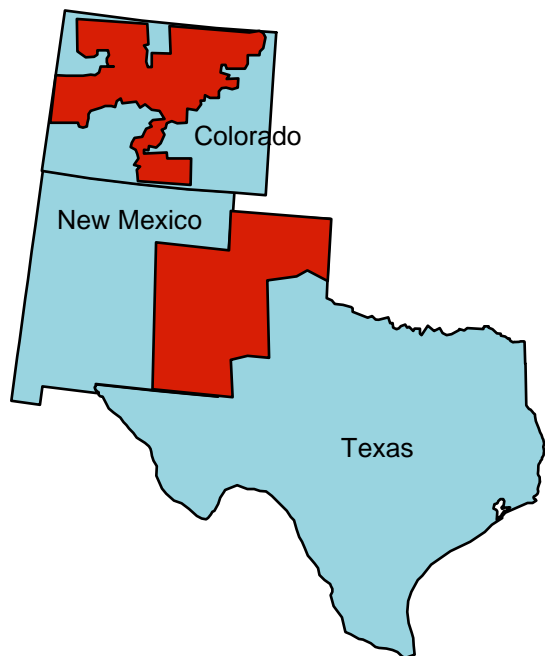
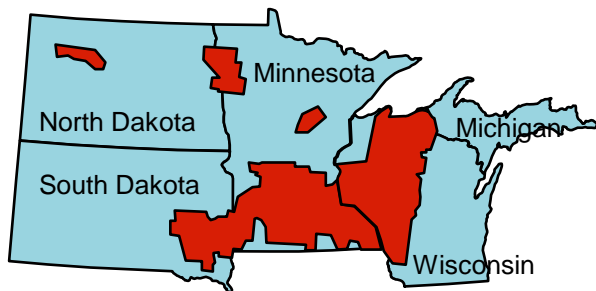
Funding Capital Expenditures 2018-2022



* The base capital plan includes the SPS wind and Dakota Range wind proposals, but does not include the Colorado Energy Plan (CEP), which could increase investment by up to \$1.5 billion

** Cash from operations is net of dividend & pension funding. Financing plans are subject to change

Strong Investment Merits



Attractive total return

EPS growth target of 5-6% annually

Dividend growth target of 5-7% annually

Dividend payout ratio target of 60-70%

Strong investment grade credit ratings
Unsecured credit ratings of "BBB+" to "A"
Secured credit ratings in "A" range

Appendix

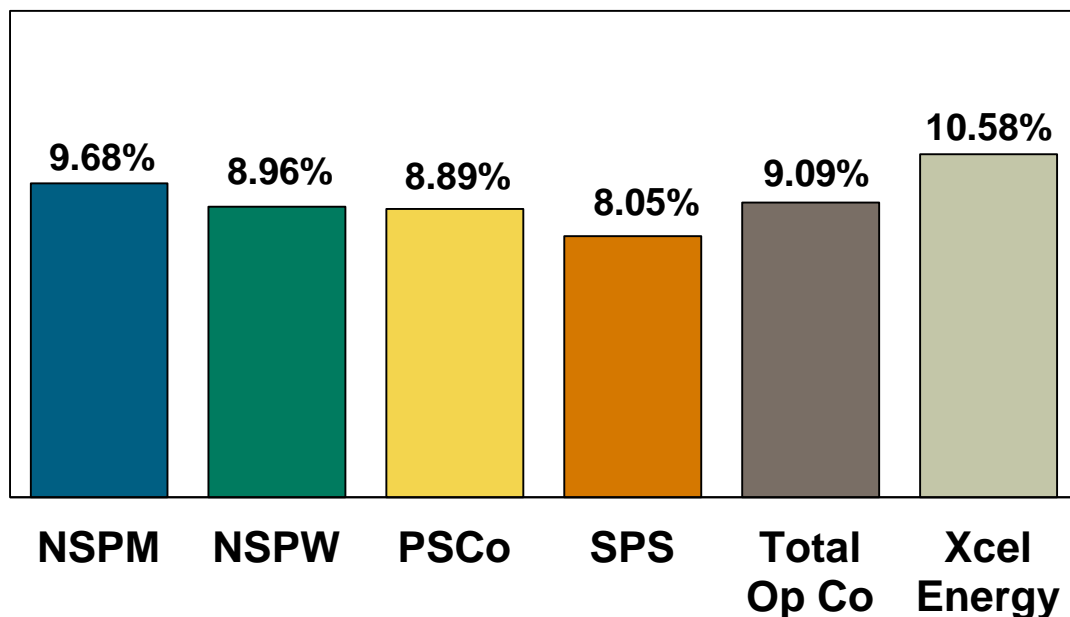
EPS Results by Operating Company

Operating Company	Q3		YTD	
	2017	2016	2017	2016
NSPM	\$ 0.45	\$ 0.41	\$ 0.81	\$ 0.74
PSCo	0.37	0.34	0.78	0.74
SPS	0.13	0.13	0.25	0.24
NSPW	0.04	0.05	0.12	0.11
Equity earnings	0.01	0.01	0.03	0.04
Regulated utility	1.00	0.94	1.98	1.87
Holding company and other	(0.03)	(0.04)	(0.10)	(0.11)
Total GAAP & ongoing diluted EPS	\$ 0.97	\$ 0.90	\$ 1.88	\$ 1.76

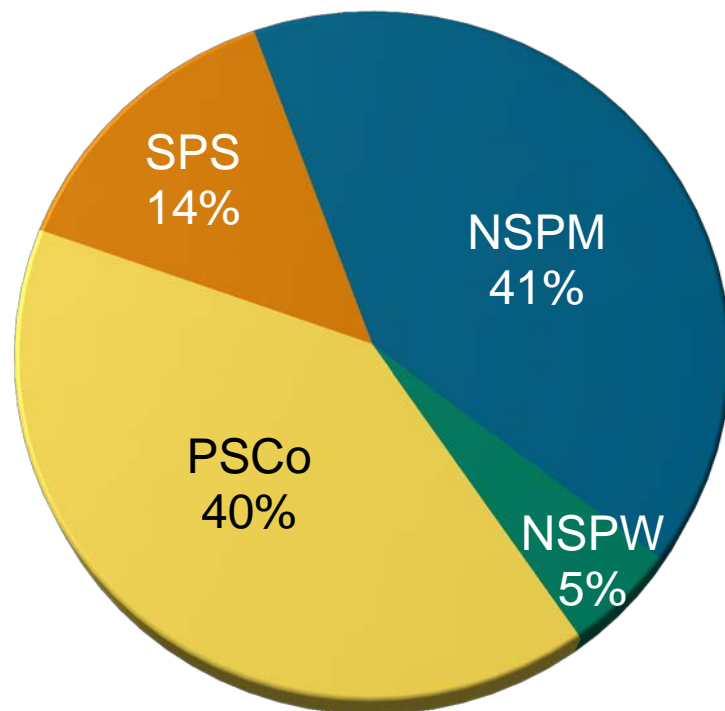
Amounts may not sum due to rounding

ROE Results – GAAP & Ongoing Earnings

GAAP & Ongoing ROE
Twelve Months Ended 9/30/2017



2016 Rate Base
\$24.0 billion



Base Capital Expenditures by Function

\$ Millions

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Electric Distribution	\$750	\$810	\$870	\$1,110	\$1,380	\$4,920
Renewables	\$1,410	\$1,860	\$880	\$270	\$0	\$4,420
Electric Transmission	\$770	\$540	\$570	\$860	\$980	\$3,720
Electric Generation	\$520	\$370	\$290	\$520	\$530	\$2,230
Natural Gas	\$460	\$400	\$410	\$420	\$510	\$2,200
Other	\$400	\$250	\$240	\$280	\$340	\$1,510
Total	\$4,310	\$4,230	\$3,260	\$3,460	\$3,740	\$19,000

The base capital plan includes the SPS wind and Dakota Range wind proposals, but does not include the Colorado Energy Plan (CEP), which could increase investment by up to \$1.5 billion

Base Capital Expenditures by Company

\$ Millions

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
NSPM	\$1,370	\$1,910	\$1,450	\$1,590	\$1,500	\$7,820
PSCo	\$1,650	\$1,020	\$950	\$1,150	\$1,410	\$6,180
SPS	\$1,020	\$1,140	\$710	\$470	\$540	\$3,880
NSPW	\$250	\$250	\$240	\$280	\$290	\$1,310
Other *	\$20	(\$90)	(\$90)	(\$30)	\$0	(\$190)
Total	\$4,310	\$4,230	\$3,260	\$3,460	\$3,740	\$19,000

The base capital plan includes the SPS wind and Dakota Range wind proposals, but does not include the Colorado Energy Plan (CEP), which could increase investment by up to \$1.5 billion

* Primarily reflects intercompany transfers for safe harbor wind turbines

Debt Financing Plan 2017-2018

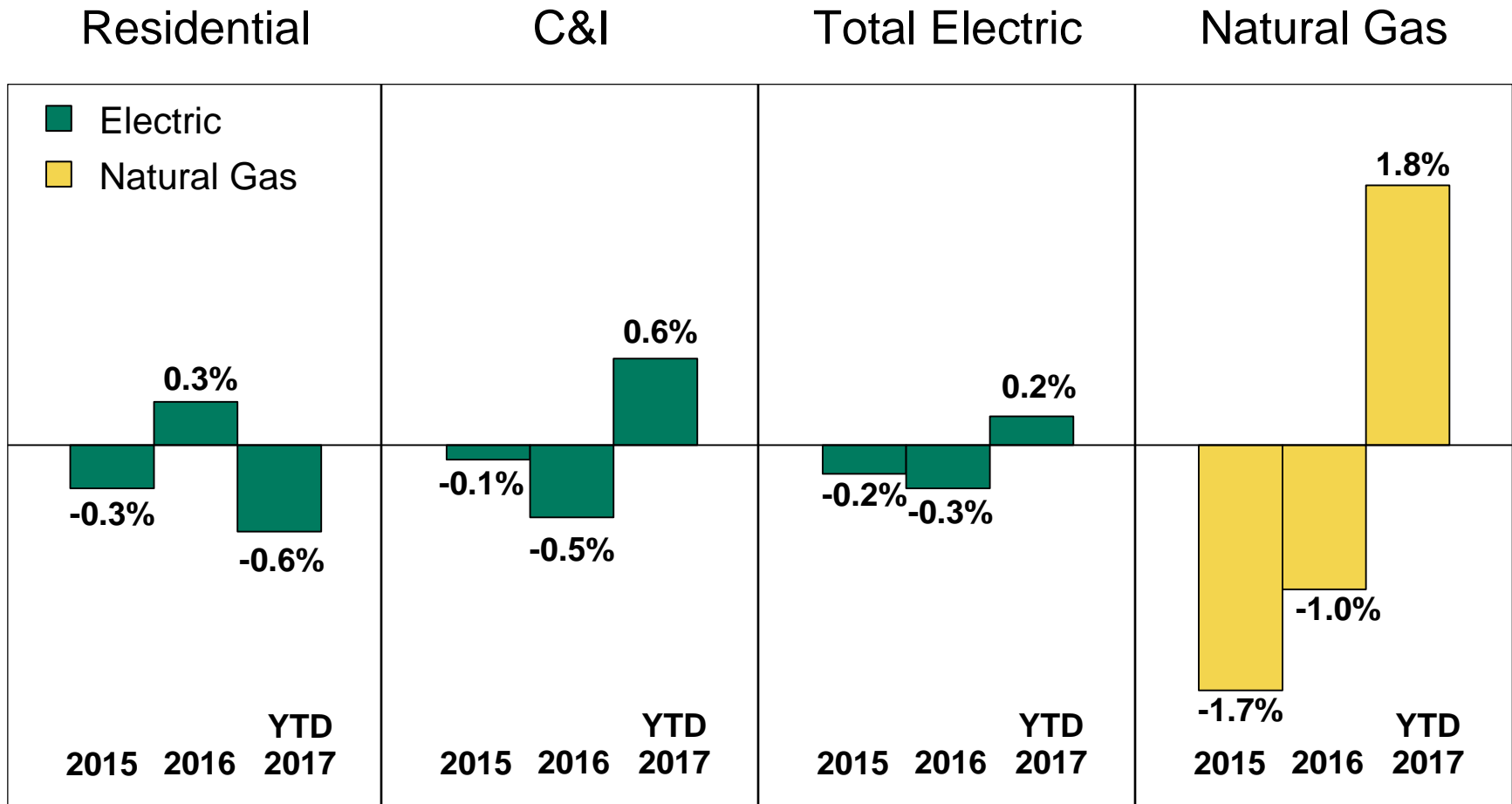
Issuer	Security	Amount (millions)	Timing	Tenor	Coupon
PSCo	First Mortgage Bonds	\$400	Completed	30 Yr	3.80%
SPS	First Mortgage Bonds	\$450	Completed	30 Yr	3.70%
NSPM	First Mortgage Bonds	\$600	Completed	30 Yr	3.60%
NSPW	First Mortgage Bonds	\$100	2017 Q4	N/A	N/A

Xcel Energy plans to issue short-term debt in Q4 to meet financing needs.

Issuer	Security	Amount (millions)
PSCo	First Mortgage Bonds	~\$700
Hold Co	Senior Unsecured	~\$750
SPS	First Mortgage Bonds	~\$300
NSPW	First Mortgage Bonds	~\$150
NSPM	First Mortgage Bonds	~\$300

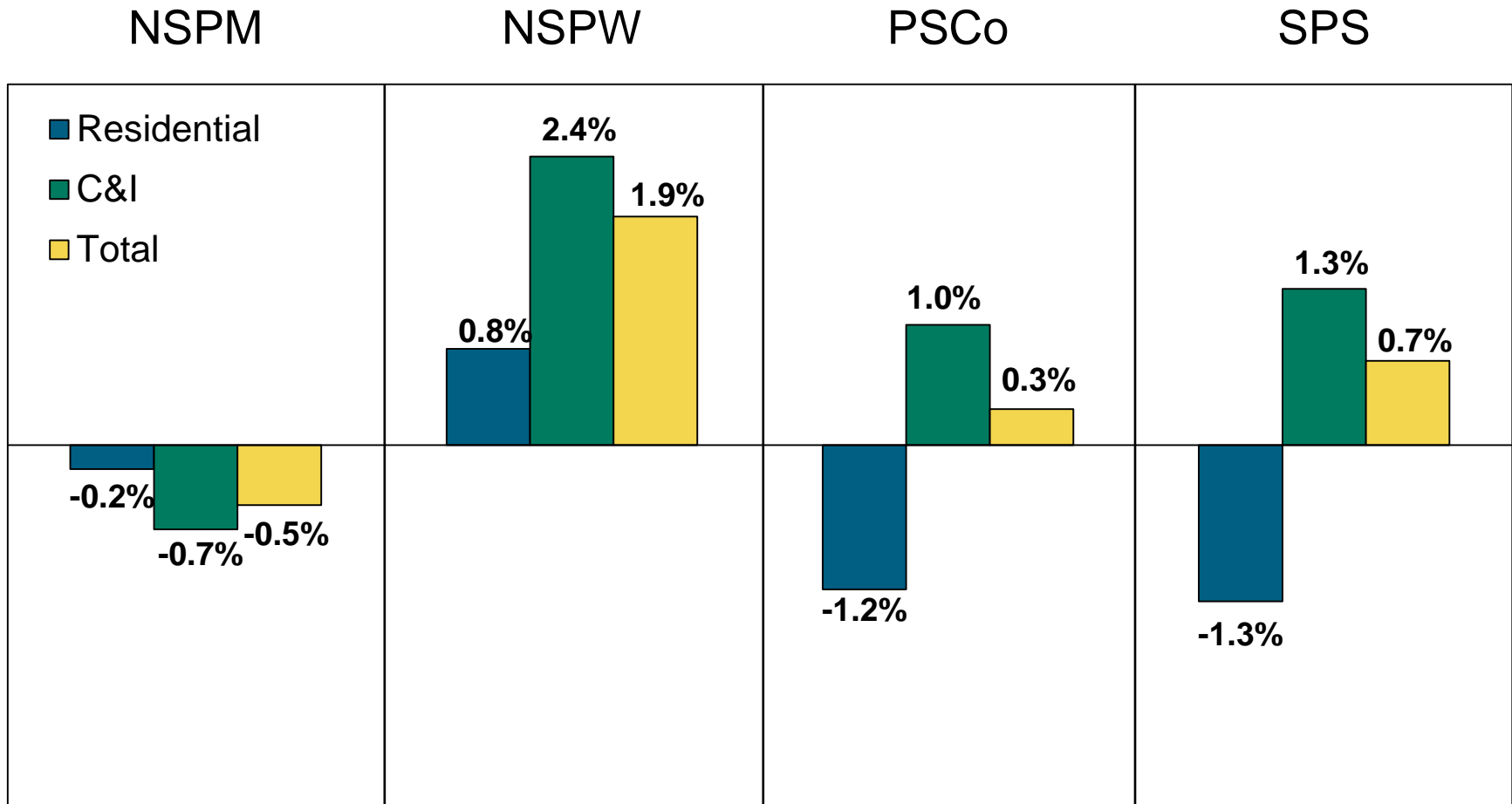
Financing plans are subject to change, depending on capital expenditures, internal cash generation, rating agency views, market conditions, and other factors. Xcel Energy does not anticipate issuing any additional equity, beyond its DRIP and benefit programs, over the next five years based on its current base capital expenditure plan.

Xcel Energy W/A Sales Growth *



* Adjusted for leap year

2017 YTD W/A Electric Sales Growth *



* Adjusted for leap year

Upcoming 2017 Fourth Quarter Events

Events	Dates
EEI Financial Conference	November 5-7
Wells Fargo Conference	December 7