



Second Quarter 2018 Earnings Report Presentation

July 26, 2018



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 include our 2018 earnings per share (EPS) guidance, the Tax Cuts and Jobs Act's (TCJA's) impact to Xcel Energy and its customers, rate base, valuation of deferred tax assets and liabilities, cash flow, credit metrics, long-term earnings per share and dividend growth rate and potential regulatory options, as well as assumptions and other statements identified in this document by the words "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "objective," "outlook," "plan," "project," "possible," "potential," "should," "will," "would" 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, 2017 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 workforce factors.

2018 YTD Highlights

- Raised 2018 EPS guidance range to \$2.41 to \$2.51 (previously \$2.37 to \$2.47)
- Increased dividend 5.6%
- Received regulatory approvals for the 1,000 MW SPS wind ownership project
- Received regulatory approvals for the 300 MW Dakota Range wind project
- Filed preferred Colorado Energy Plan portfolio
- Reached a settlement in the Texas rate case (including tax reform treatment)
- Made progress in tax reform regulatory proceedings:
 - Tax reform settlement approved in South Dakota
 - Tax reform plan approved in Wisconsin
 - Tax reform settlement reached for Colorado Electric
- Recognized by Forbes Magazine as one of America's Best Employers
- Recognized as a "Best for Vets" employer by Military Times

Steel for Fuel

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

High efficiency wind:

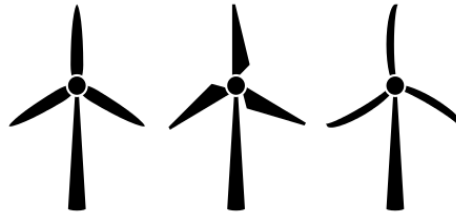
- Displaces coal and natural gas fuel
- Significant customer savings

4,780 MW
New wind by 2021

3,680 MW
Approved

1,100 MW
Pending

3,550 MW
Owned (74%)



Lower Fuel Costs

Lower O&M

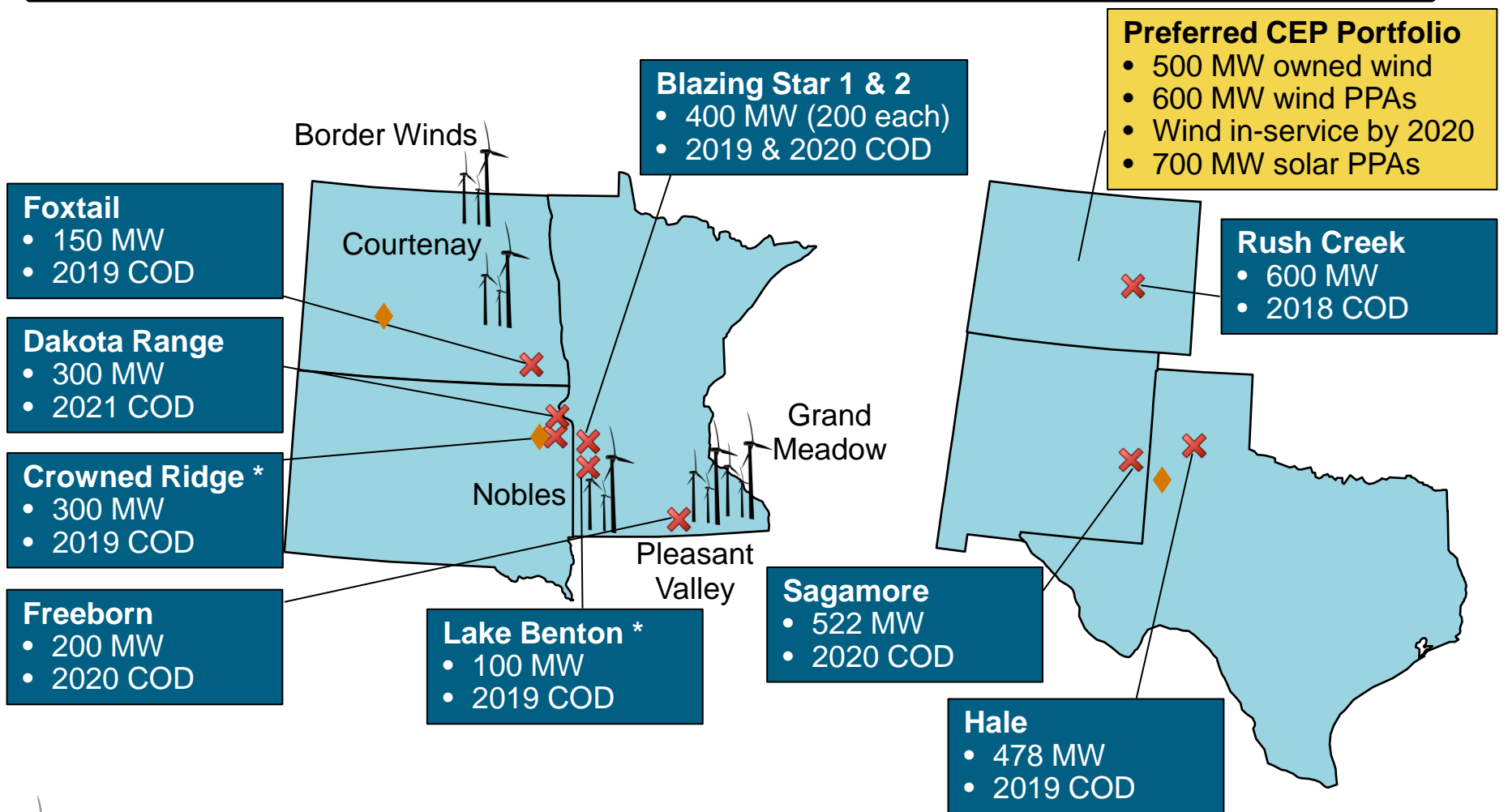
Capture PTC



Lower Emissions



Economic, zero-emission energy enabled by:

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

Clean Energy Transition - Renewables



 = Operational owned wind facilities totaling ~850 MW
 = Approved owned wind facilities totaling ~3,050 MW

 = Approved wind PPAs totaling ~630 MW
 = Build-own-transfer wind projects

SPS Wind Plan

1,230 MW Plan

Sagamore

- Self-Build
- 522 MW
- 2020 COD
- New Mexico



Hale

- Self-Build
- 478 MW
- 2019 COD
- Texas



Bonita

- PPA
- 230 MW
- 2019 COD
- Texas



Total capital investment of ~\$1.6 billion
Significant customer savings

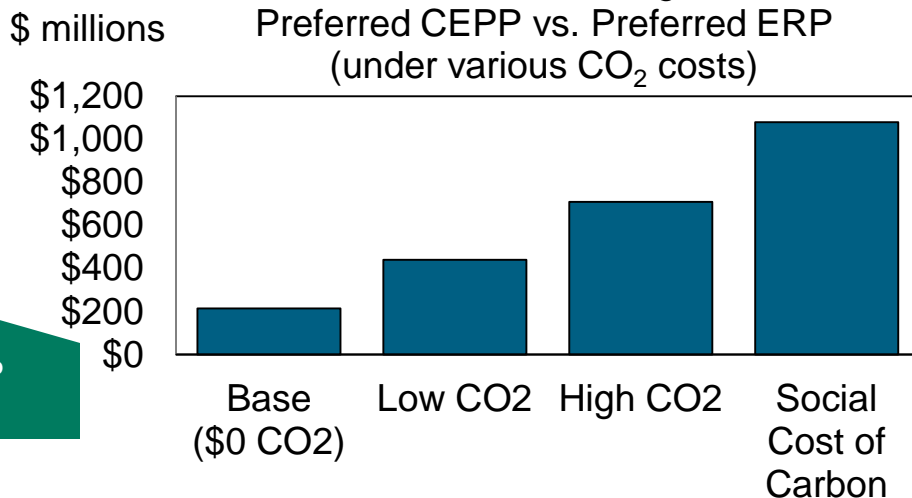
New Mexico Commission approved the ownership proposal in March 2018
Texas Commission approved the ownership proposal in May 2018

Colorado Energy Plan

- In June 2018, PSCo filed its preferred Colorado Energy Plan portfolio (along with multiple other portfolios):
 - 1,100 MW of wind generation (500 MW owned)
 - 700 MW of solar generation
 - 275 MW of battery storage
 - 380 MW of owned natural gas generation
 - Early retirement of 660 MW of coal generation
 - Xcel Energy total capital investment of ~\$1 billion
- Commission decision anticipated by September 2018



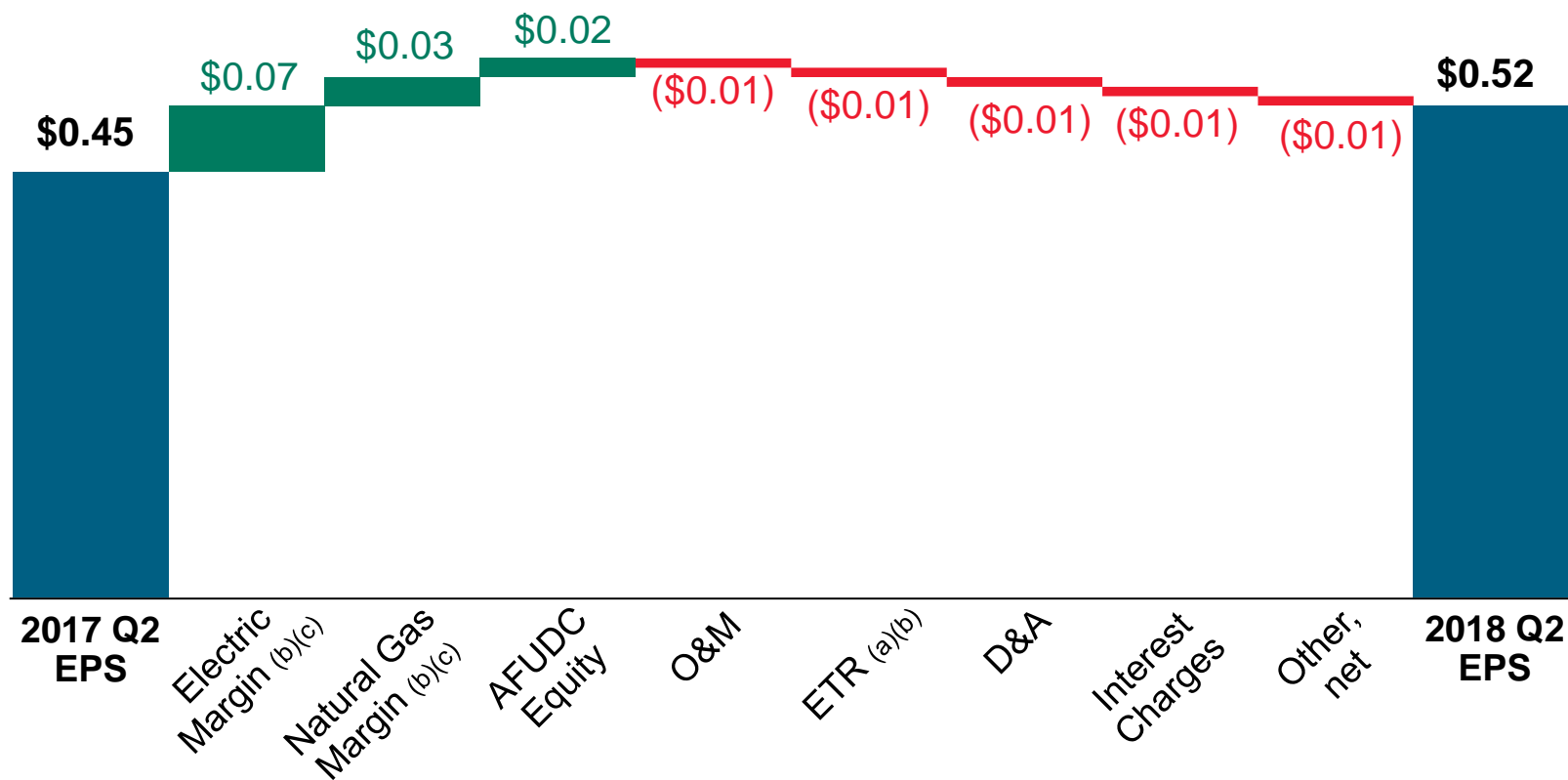
Customer Savings
Preferred CEPP vs. Preferred ERP
(under various CO₂ costs)



Reducing carbon emissions by ~60%,
by 2026 from a 2005 baseline

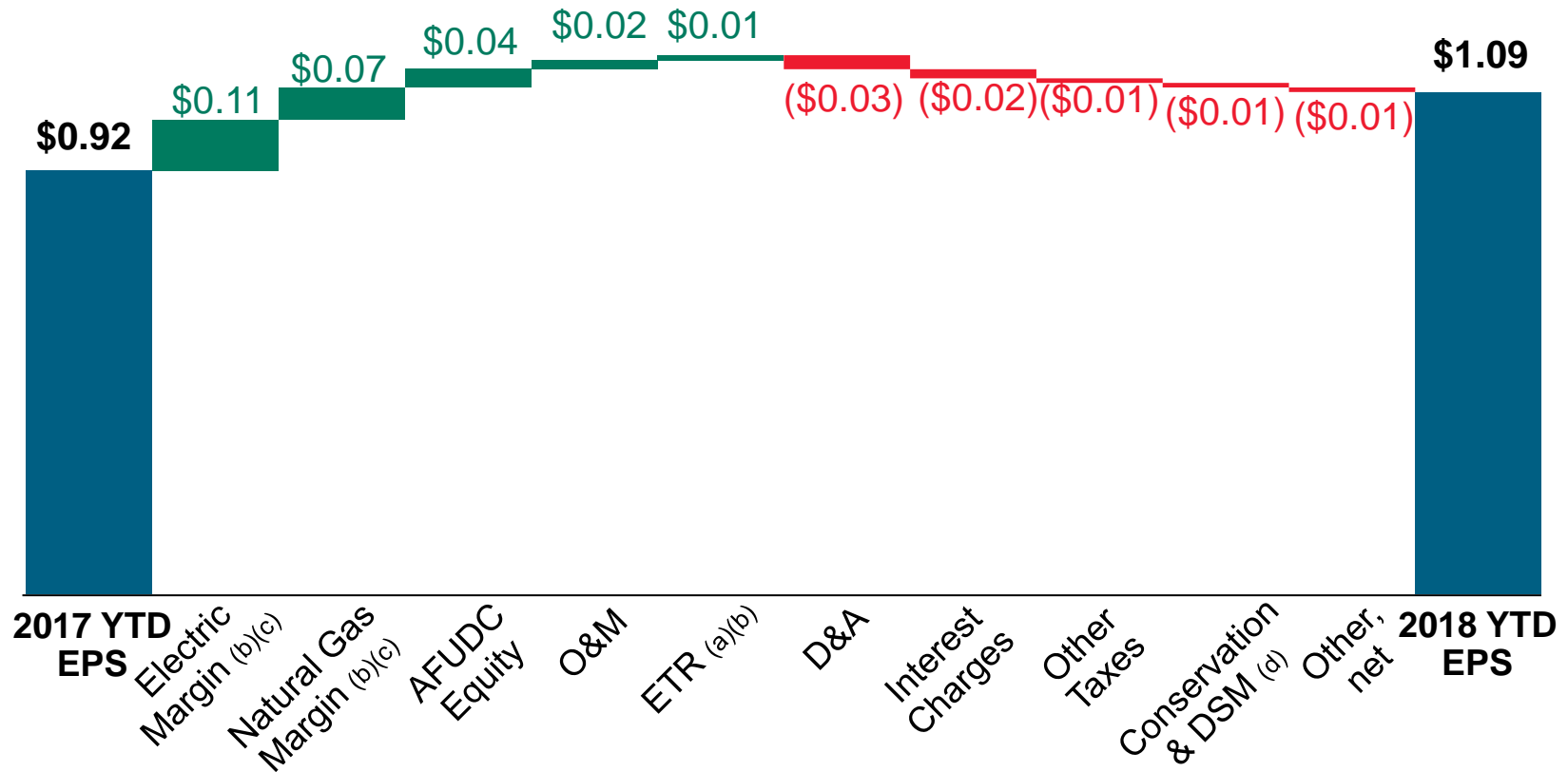
Increasing renewables to ~55%
of energy mix by 2026

Quarterly GAAP & Ongoing EPS Change



- a) ETR includes the impact of an additional \$10 million of wind Production Tax Credits (PTCs), which are largely flowed back to customers through electric margin
- b) Excludes the impact of tax reform
- c) Combined margins include ~\$0.03 of positive weather impacts (post decoupling)

YTD GAAP & Ongoing EPS Change



- a) ETR includes the impact of an additional \$15 million of wind Production Tax Credits (PTCs), which are largely flowed back to customers through electric margin
- b) Excludes the impact of tax reform
- c) Combined margins include ~\$0.07 of positive weather impacts (post decoupling)
- d) Offset by higher revenues

EPS Results by Operating Company

Operating Company	Second Quarter		YTD	
	2018	2017	2018	2017
PSCo	\$ 0.24	\$ 0.20	\$ 0.50	\$ 0.42
NSPM	0.18	0.17	0.40	0.36
SPS	0.11	0.07	0.18	0.12
NSPW	0.03	0.03	0.09	0.07
Equity earnings	0.01	0.01	0.02	0.02
Regulated utility	0.58	0.48	1.19	0.99
Holding company and other	(0.06)	(0.03)	(0.10)	(0.07)
Total GAAP and ongoing diluted EPS	\$ 0.52	\$ 0.45	\$ 1.09	\$ 0.92

Colorado Multi-Year Natural Gas Rate Case

- In 2017, PSCo filed a Colorado multi-year natural gas rate case requesting:
 - Rate increase of \$139 million over 3 years
 - ROE of 10.0% and equity ratio of 55.25%
- Provisional rates of \$63 million were implemented on January 1, 2018
- In February 2018, the ALJ approved a settlement between PSCo and CPUC which reduced provisional rates by \$20 million to address TCJA impacts
- In June, PSCo filed for an extension of the PSIA rider through 2020
- In July, CPUC made a verbal decision with the following key terms:
 - One-year rate increase of \$47 million (before TCJA impacts)
 - ROE of 9.35% and an equity ratio of 54.6%
 - HTY with a 13-month average rate base

Texas Electric Rate Case

- SPS has a pending Texas electric rate case, seeking a revised net electric rate increase of ~\$17 million, reflecting:
 - The benefits of TCJA
 - Net of the roll-in of the transmission rider into base rates (\$15 million)
 - ROE of 10.25%, equity ratio of 58%, and HTY ended June 30, 2017
- In June, SPS reached a settlement which results in no overall change to revenues after adjusting for the impact of the TCJA, reflecting:
 - ROE of 9.5% for calculation of AFUDC
 - Equity ratio that reflects SPS' actual capital structure (expected to be 57%)
 - TCRF rider remains in effect
 - Accelerated depreciation for Tolk units 1 and 2 equal to 50% of request
 - PUCT decision is expected in 2018 Q3

New Mexico Electric Rate Case

- In October 2017, SPS filed a New Mexico electric rate case:
 - In May 2018, SPS revised its electric rate increase request to ~\$27 million (net of ~\$11 million reduction for TCJA)
 - ROE of 10.25% and equity ratio of 58%
 - Based on HTY ended June 30, 2017
- In June 2018, the Hearing Examiner issued a recommended decision:
 - Rate increase of \$12 million (net of TCJA impact)
 - ROE of 9.4% and equity ratio of 53.97%
- NMPRC decision and implementation of final rates anticipated in 2018 Q3

2018 Financing Plan

Issuer	Security	Amount (millions)	Timing	Tenor	Coupon
Hold Co	Senior Unsecured Bonds	\$500	Completed	10 Yr	4.0%
PSCo	Green First Mortgage Bonds	\$350	Completed	10 Yr	3.7%
PSCo	Green First Mortgage Bonds	\$350	Completed	30 Yr	4.1%
NSPW	First Mortgage Bonds	\$200	2018 2H	N/A	N/A
SPS	First Mortgage Bonds	\$250	2018 2H	N/A	N/A

Xcel Energy plans to issue ~\$300 million of equity in 2018 in addition to ~\$75 million of equity to be issued through the dividend reinvestment and benefit programs.

Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors.

2018 GAAP & Ongoing Earnings Guidance

GAAP & Ongoing EPS Guidance Range: \$2.41 – \$2.51

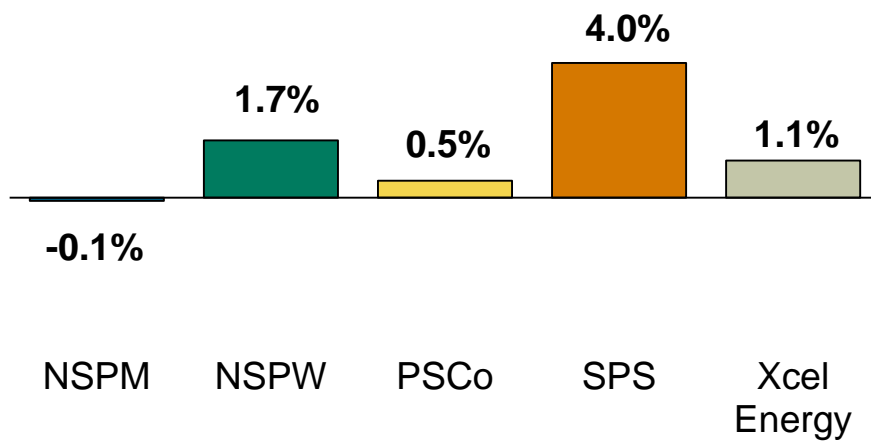
Earnings Drivers	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather for the remainder of the year
W/A electric sales	Increase 0% to 1.0%
W/A natural gas sales	Increase 1.0% to 1.5%
Capital rider revenue	Increase \$40 million - \$50 million
O&M expenses	Increase 1.0% to 2.0%
Depreciation expense	Increase \$100 million - \$110 million
Property taxes	Increase ~\$10 million - \$20 million
Interest exp. (net of AFUDC-debt)	Increase \$30 million - \$40 million
AFUDC-equity	Increase ~\$20 million - \$30 million
Effective tax rate (ETR)	~15-17%; ETR range may decrease to ~8-10% as state commissions provide clarity and direction as to the treatment of excess deferred taxes that resulted from the TCJA.

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.

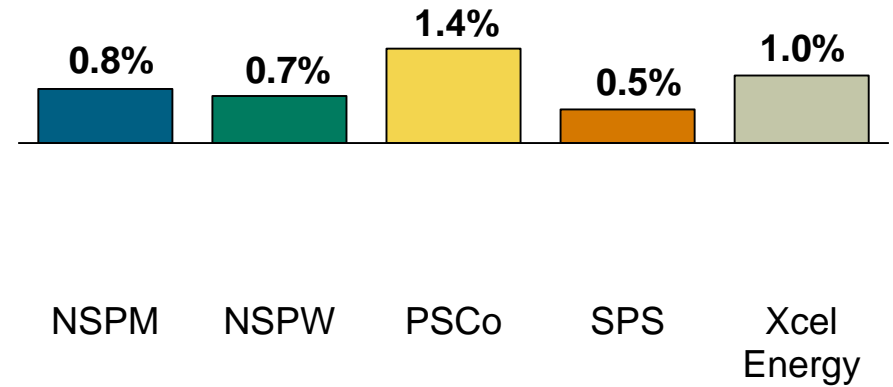
Appendix

Economic, Sales, and Customer Data

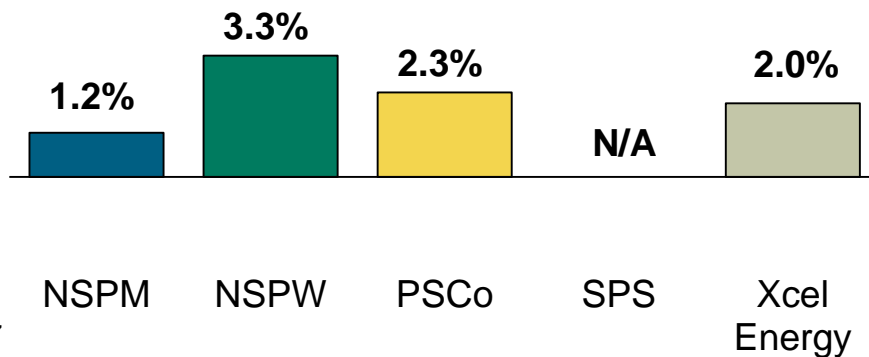
2018 YTD W/A Electric Sales Growth



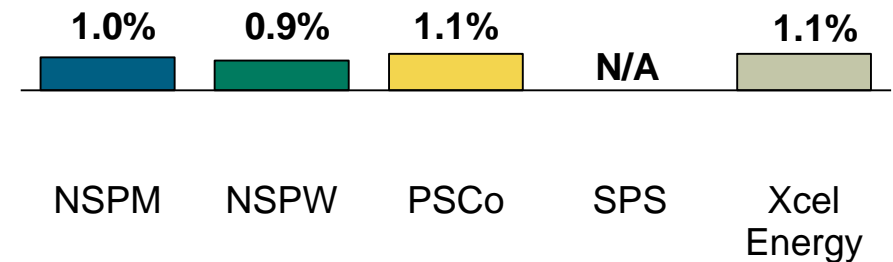
2018 Q2 YoY Electric Customer Growth



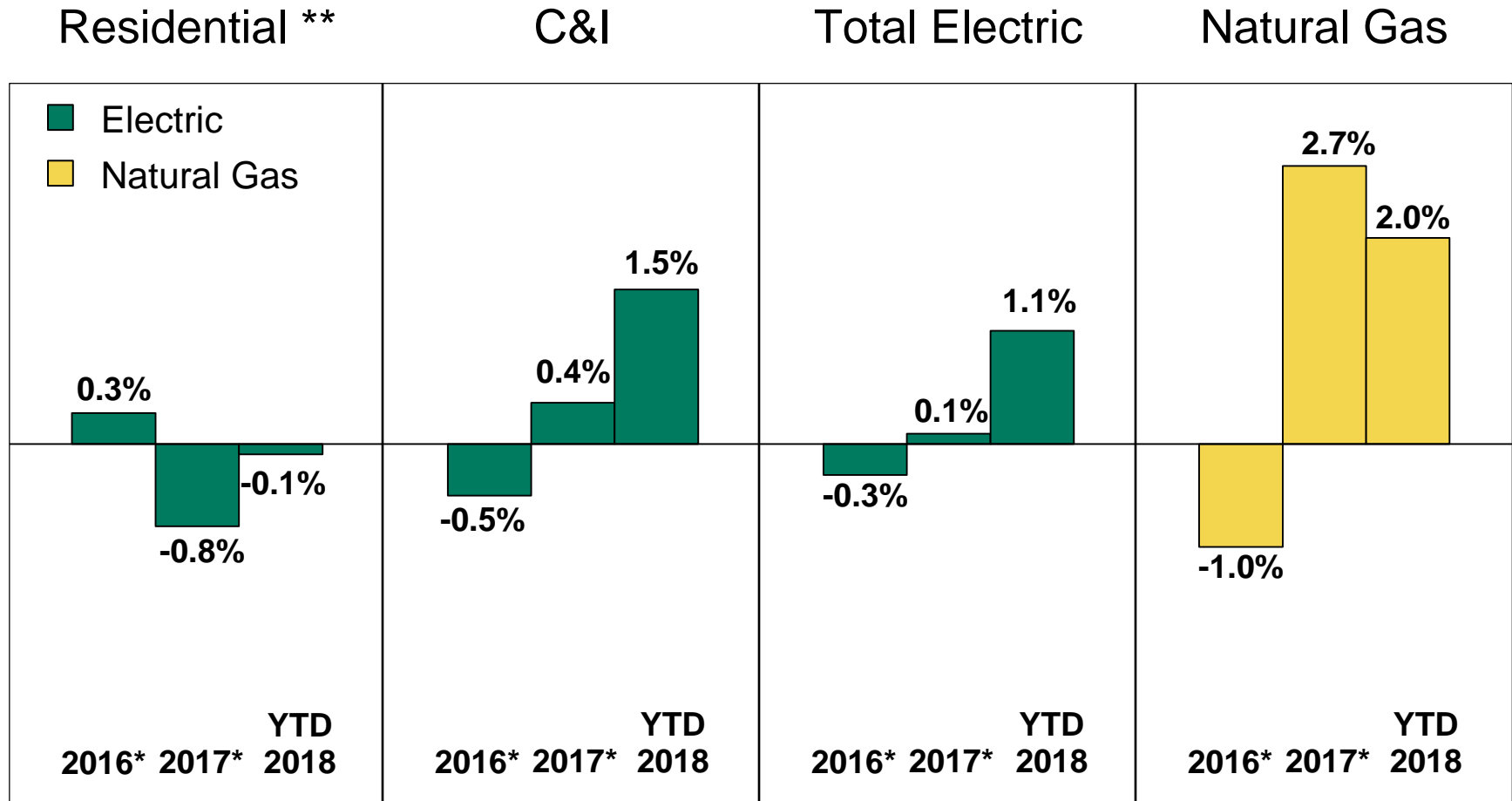
2018 YTD W/A Nat. Gas Sales Growth



2018 Q2 YoY Nat. Gas Customer Growth



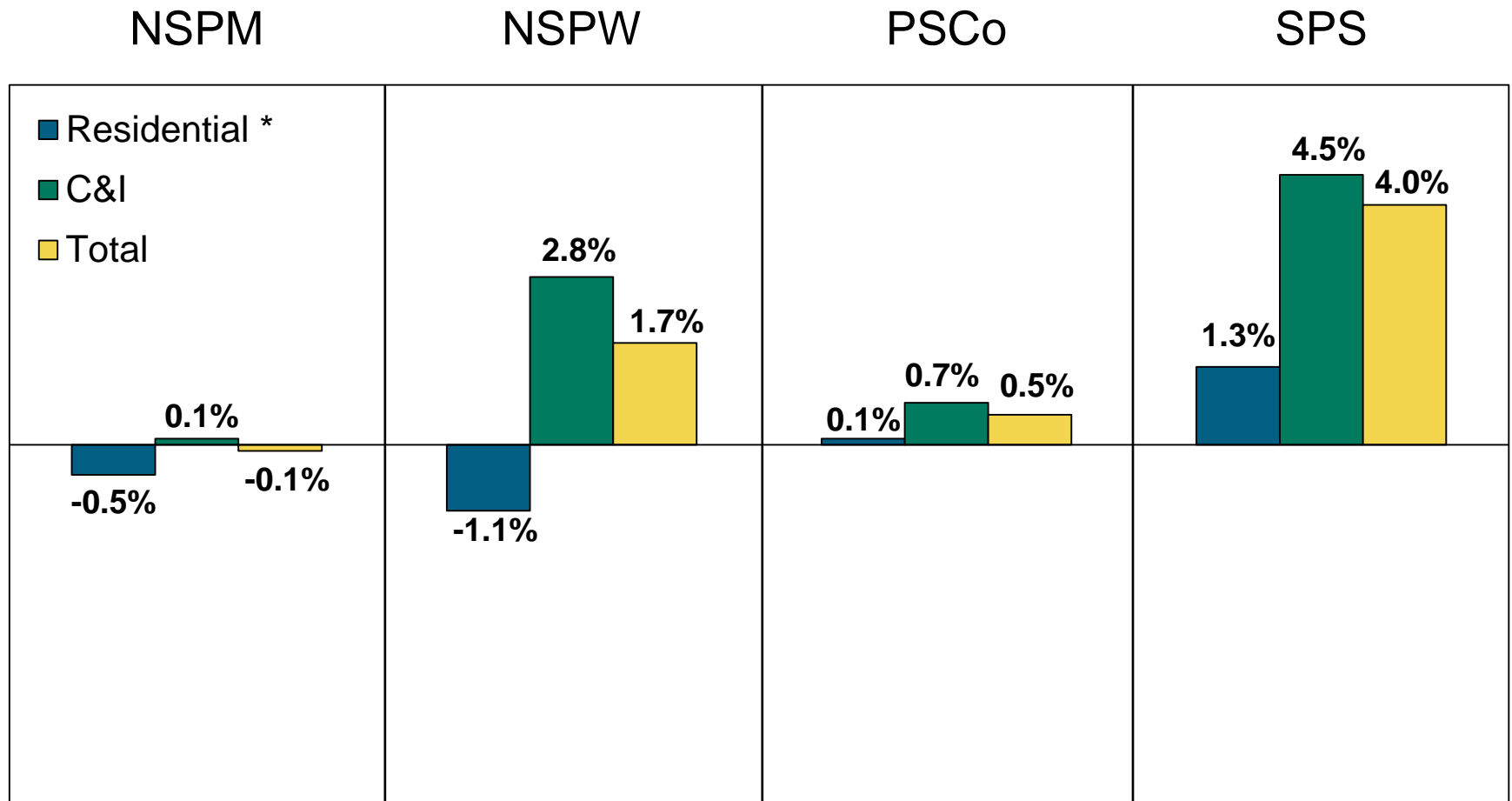
Xcel Energy W/A Sales Growth



* Adjusted to exclude the impact of leap day

** Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates

2018 YTD W/A Electric Sales Growth

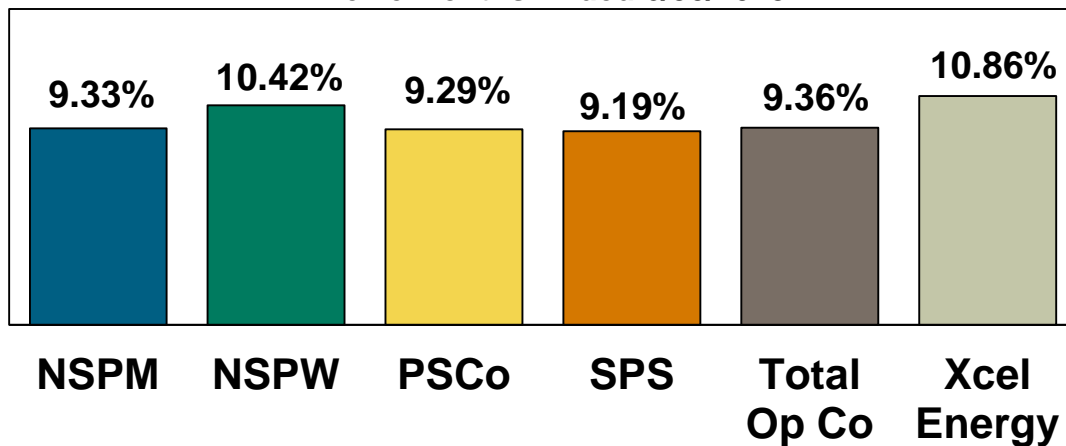


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ROE Results – GAAP & Ongoing Earnings

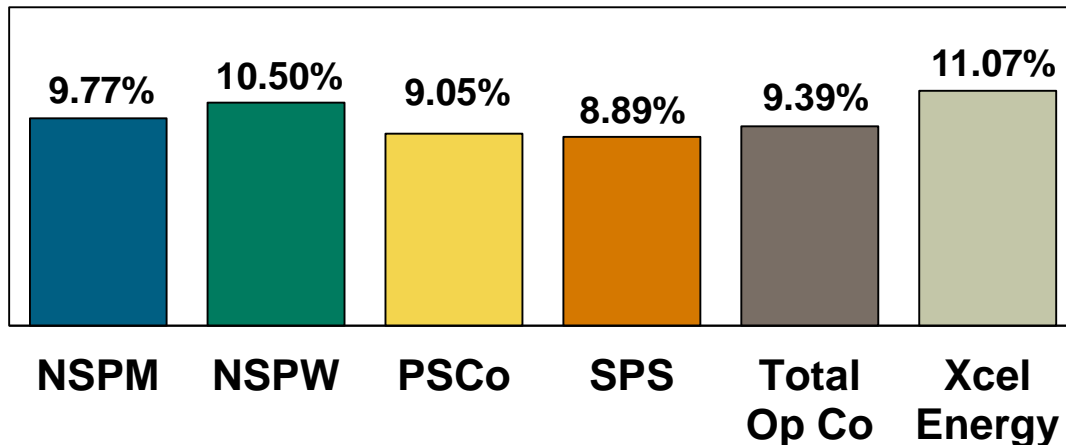
GAAP ROE

Twelve Months Ended 6/30/2018

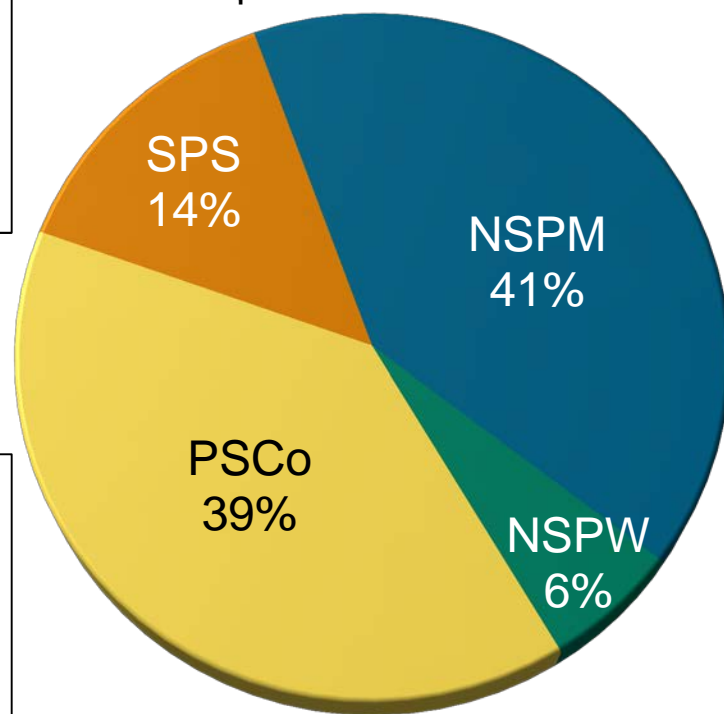


Ongoing ROE *

Twelve Months Ended 6/30/2018



2017 YE Rate Base
\$25.1 billion



* Ongoing earnings exclude a one-time, non-cash, income tax expense of approximately \$23 million recognized in 2017 Q4 upon the enactment of the TCJA

Upcoming 2018 Third Quarter Events

Events	Dates
Texas & Kansas City NDR	Aug. 7-8
Minnesota CFA Society – Investor Conference	Aug. 15
UBS Kohler Conference	Aug. 23-24
Barclays Conference	Sept. 6
Bank of America Merrill Lynch Fixed Income Conference	Sept. 24
MUFG Fixed Income Conference	Sept. 26