



Third Quarter 2018 Earnings Report Presentation

October 25, 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 and 2019 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

- Increased long-term EPS growth objective to 5% to 7% (previously 5% to 6%)
- Narrowed 2018 EPS guidance range to \$2.45 to \$2.49 from revised range of \$2.41 to \$2.51 (original guidance range was \$2.37 to \$2.47)
- Introduced 2019 EPS guidance of \$2.55 to \$2.65
- Updated five-year capital forecast of \$19.3 billion with rate base CAGR of ~6.2%
- Increased dividend 5.6%
- Received approval for the SPS wind ownership project (1,000 MW)
- Received approval for the Dakota Range wind project (300 MW)
- Received approval for the Colorado Energy Plan (over 2,000 MW of renewables)
- Received approval for EVRAZ contract to maintain a large steel customer
- Reached a settlement in the Texas rate case (including tax reform treatment)
- Resolved or settled tax reform proceedings in multiple states

Strategic Priorities

Lead the Clean Energy Transition



- Investment in wind, solar and related transmission
- Carbon reduction:
 - Achieved 35% in 2017
 - Projected 50% by 2022
 - Projected 60%+ by 2030

Enhance Customer Experience



- Investment in enhanced security, reliability, and automation
- Storage/EV enablement
- Lower SAIDI/SAIFI
- Top quartile satisfaction

Keep Bills Low



- Steel for fuel = savings
- Economic development
- Flat O&M
- Average bill increase at or below inflation

Stakeholder Alignment

EPS Growth Objective: 5-7% Annually
Dividend Growth Objective: 5-7% Annually

Steel for Fuel

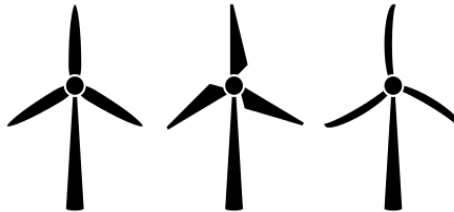
Capital recovery costs offset by lower fuel and O&M costs and tax credits

High efficiency wind:

- Displaces coal and natural gas fuel
- Significant customer savings

4,780 MW of approved
new wind by 2021

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

Colorado Energy Plan

- In August 2018, the commission approved the Colorado Energy Plan portfolio:
 - 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



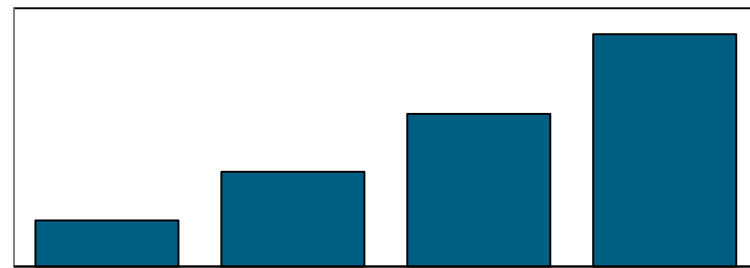
Reducing carbon emissions by ~60%,
by 2026 from a 2005 baseline

Increasing renewables to ~55%
of energy mix by 2026

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

\$ millions

\$1,200
\$1,000
\$800
\$600
\$400
\$200
\$0



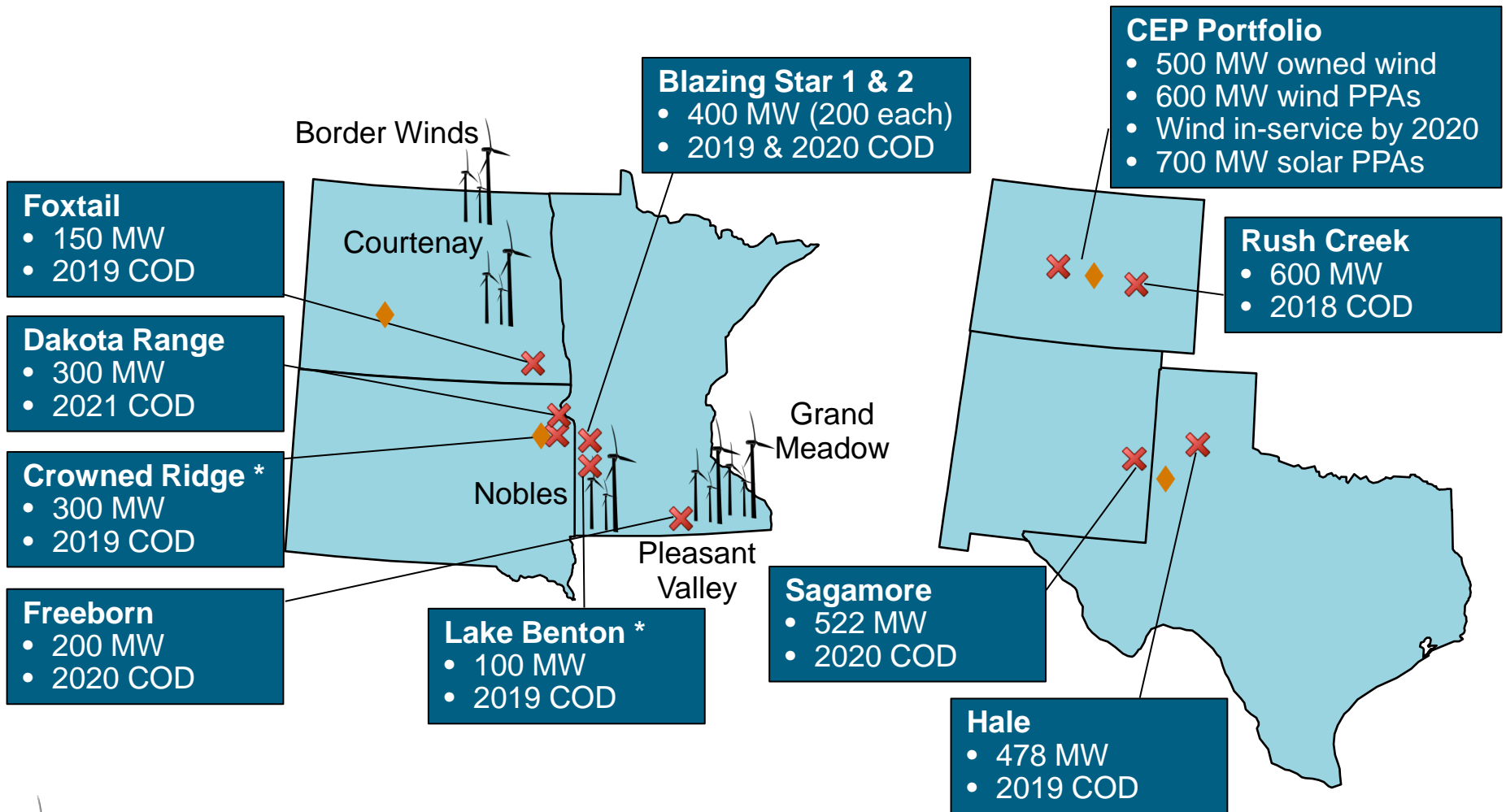
Base
(\$0 CO₂)



Low CO₂

High CO₂

Social
Cost of
Carbon

Clean Energy ~4,800 MW of New Wind

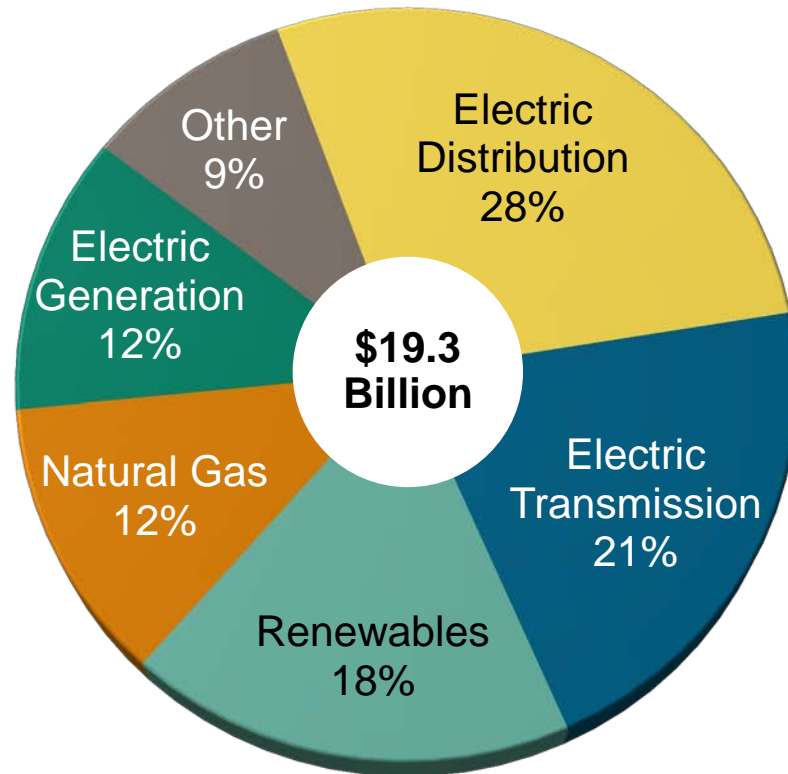


 = Operational owned wind facilities ~850 MW
 = New approved owned wind facilities ~3,550 MW

 = New wind PPAs ~1,230 MW
 = Build-own-transfer wind projects

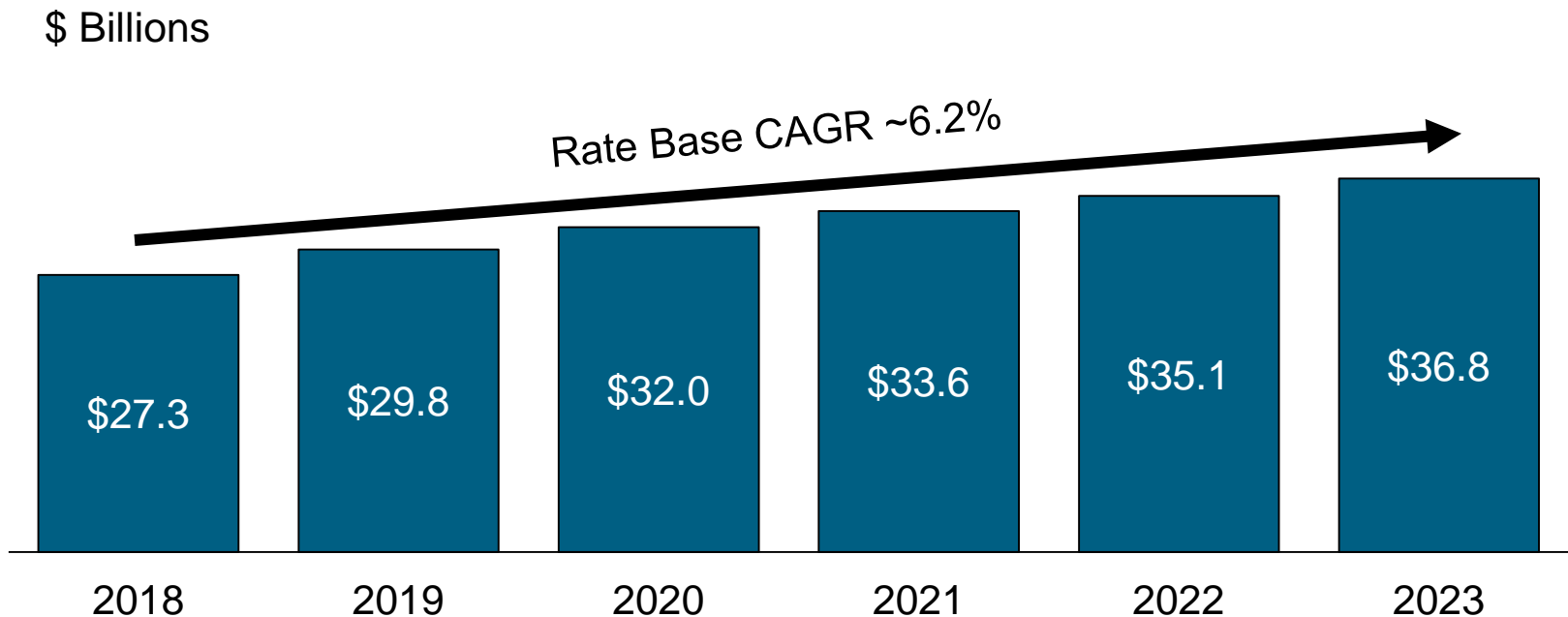
Executing on Investment Plan

Base Capital Expenditures 2019-2023

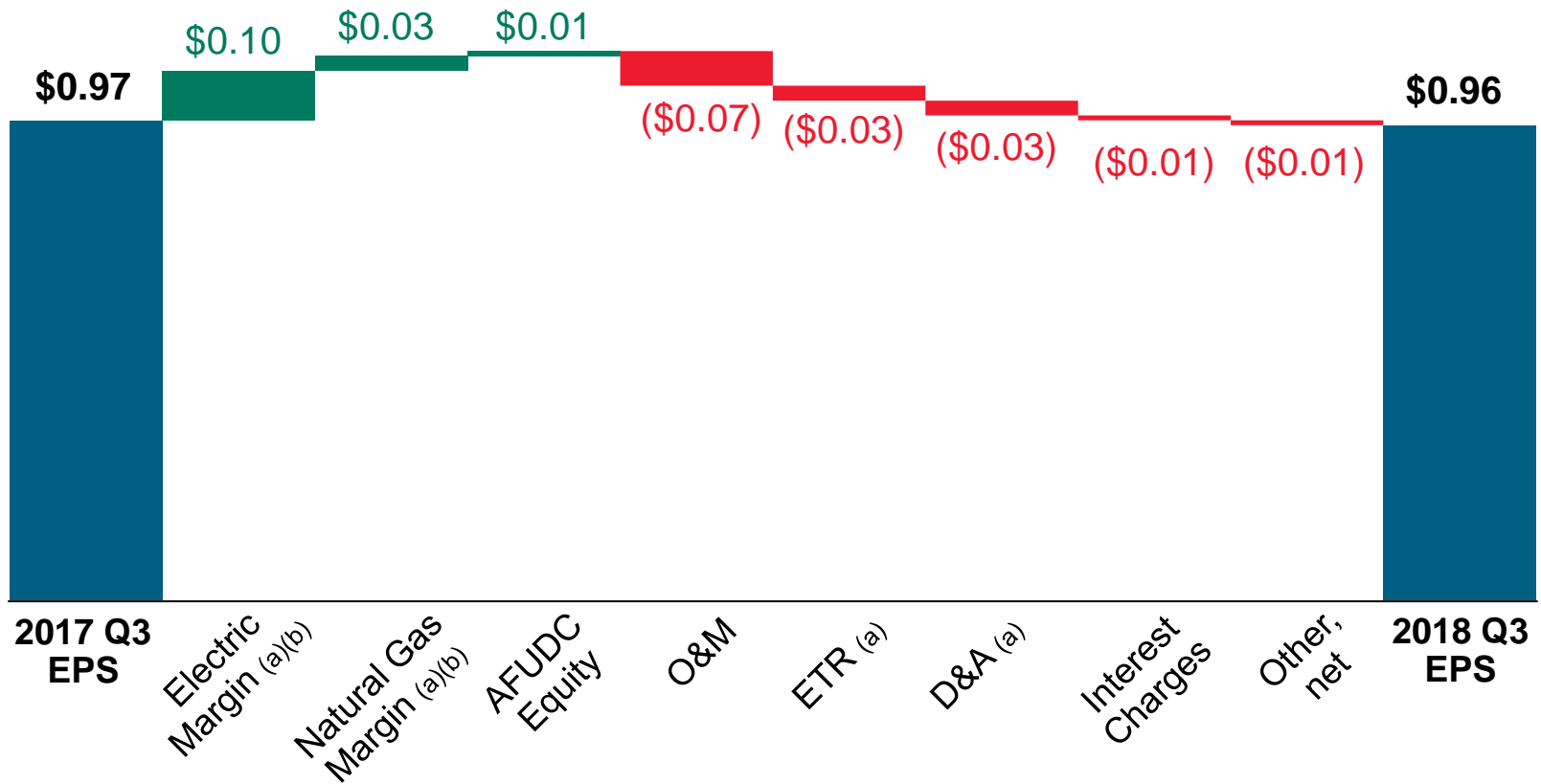


Executing on Investment Plan

Capital plan of \$19.3 billion drives annual rate base growth of ~6.2%



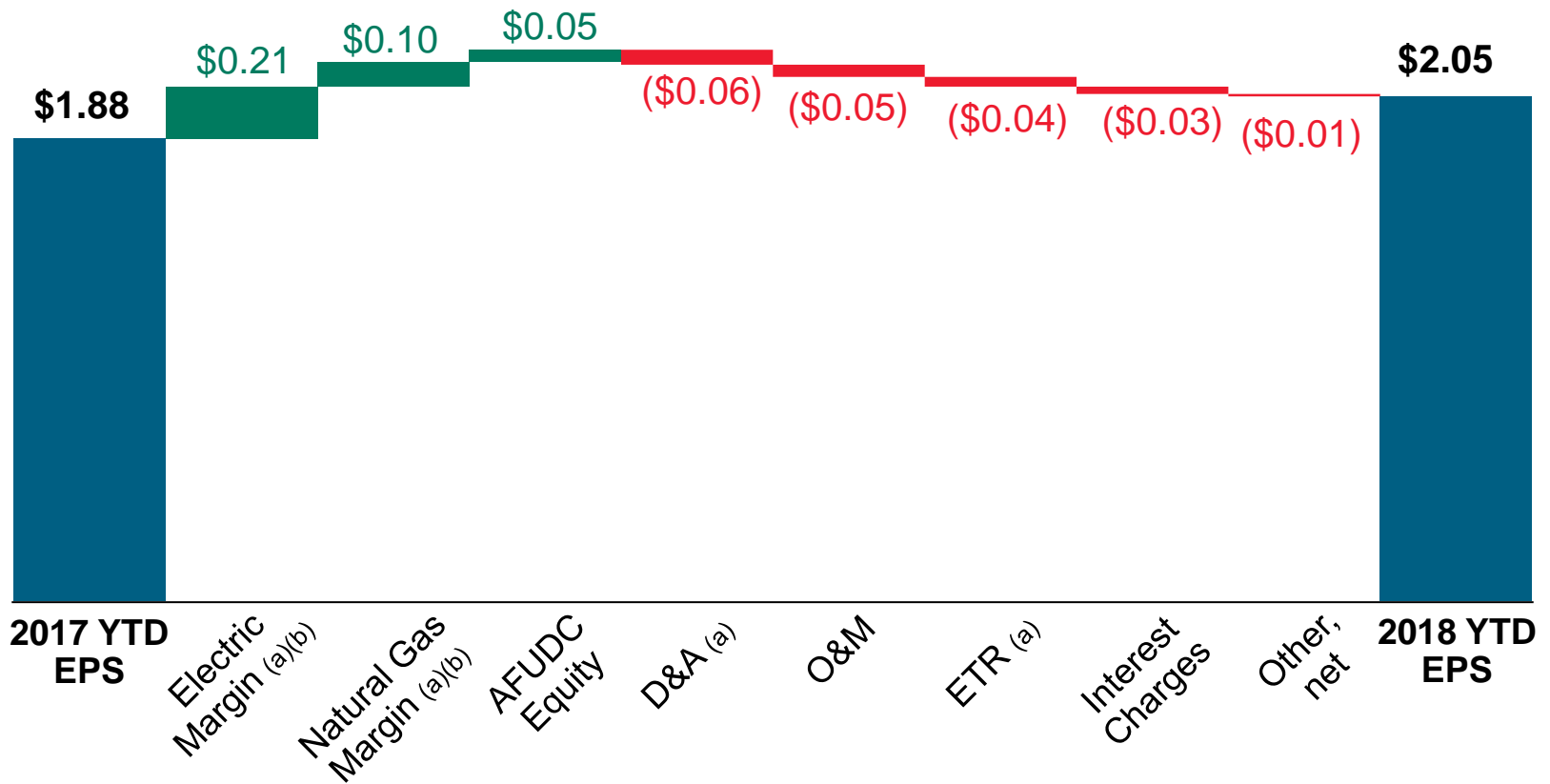
Quarterly GAAP & Ongoing EPS Change



a) Excludes the impact of tax reform

b) Combined margins include ~\$0.02 of positive weather impacts (post decoupling)

YTD GAAP & Ongoing EPS Change



a) Excludes the impact of tax reform

b) Combined margins include ~\$0.09 of positive weather impacts (post decoupling)

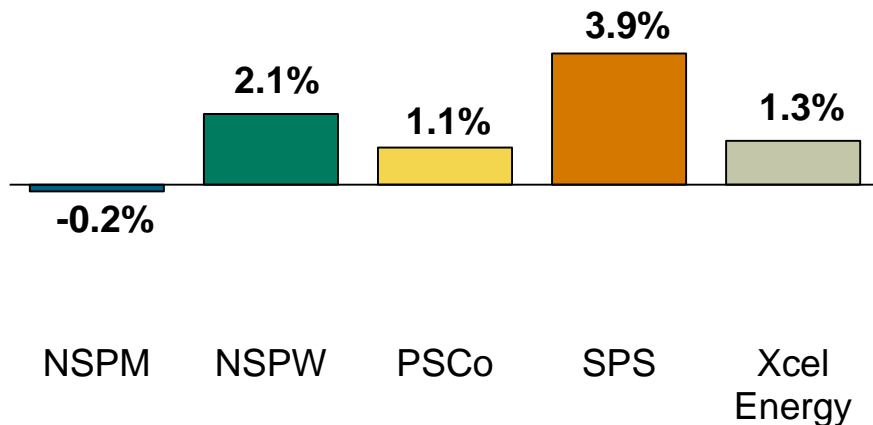
EPS Results by Operating Company

Operating Company	Third Quarter		YTD	
	2018	2017	2018	2017
PSCo	\$ 0.41	\$ 0.37	\$ 0.91	\$ 0.78
NSPM	0.39	0.45	0.79	0.81
SPS	0.16	0.13	0.34	0.25
NSPW	0.06	0.04	0.15	0.12
Equity earnings	0.01	0.01	0.03	0.03
Regulated utility	1.03	1.00	2.22	1.98
Holding company and other	(0.07)	(0.03)	(0.17)	(0.10)
Total GAAP and ongoing diluted EPS	\$ 0.96	\$ 0.97	\$ 2.05	\$ 1.88

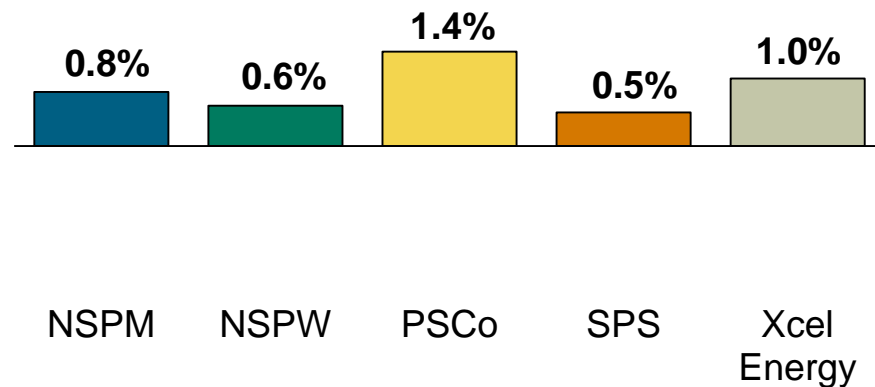
Amounts may not sum due to rounding

Sales and Customer Data

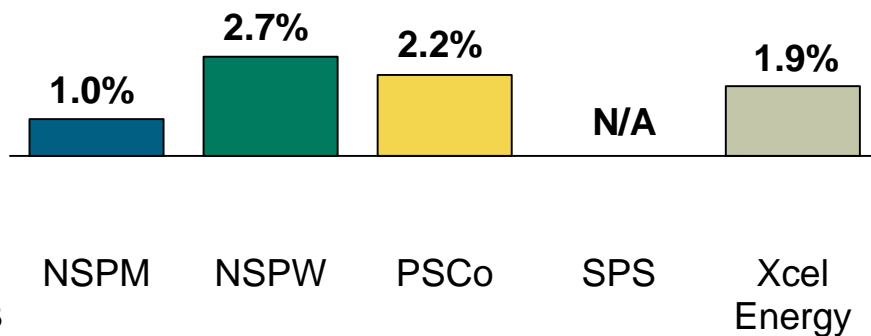
2018 YTD W/A Electric Sales Growth



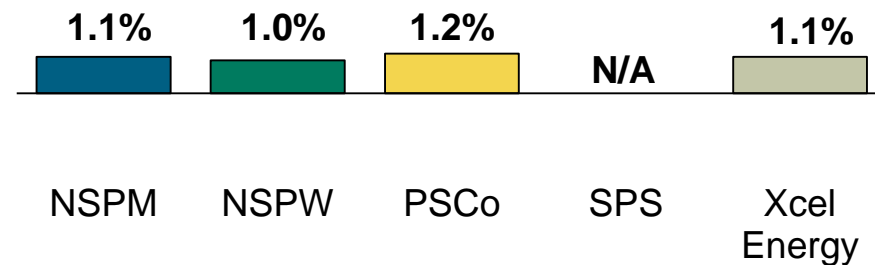
2018 Q3 YoY Electric Customer Growth



2018 YTD W/A Nat. Gas Sales Growth



2018 Q3 YoY Nat. Gas Customer Growth



Texas Electric Rate Case

In June, SPS reached a rate case 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 (up to 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 Q4

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 with a rate increase of \$12 million (net of TCJA impact), based on an ROE of 9.4% and equity ratio of 53.97%
- In Sept. 2018, the NM Commission approved a rate increase of ~\$8 million (net of TCJA impact), based on an ROE of 9.1% and an equity ratio of 51%

2018 GAAP & Ongoing Earnings Guidance

GAAP & Ongoing EPS Guidance Range: \$2.45 – \$2.49

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 ~1.0%
W/A natural gas sales	Increase 1.0% to 1.5%
Capital rider revenue (net of PTCs)	Increase \$35 million - \$45 million
O&M expenses	Increase 2.0% to 3.0%
Depreciation expense	Increase ~\$150 million - \$160 million, includes \$59 million for amortization of a prepaid pension asset (earnings neutral)
Property taxes	Increase ~\$10 million - \$20 million
Interest exp. (net of AFUDC-debt)	Increase \$25 million - \$35 million
AFUDC-equity	Increase ~\$20 million - \$30 million
Effective tax rate (ETR)	~12-14% (may decline to 8-10% depending on TCJA treatment)

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.

2019 GAAP & Ongoing Earnings Guidance

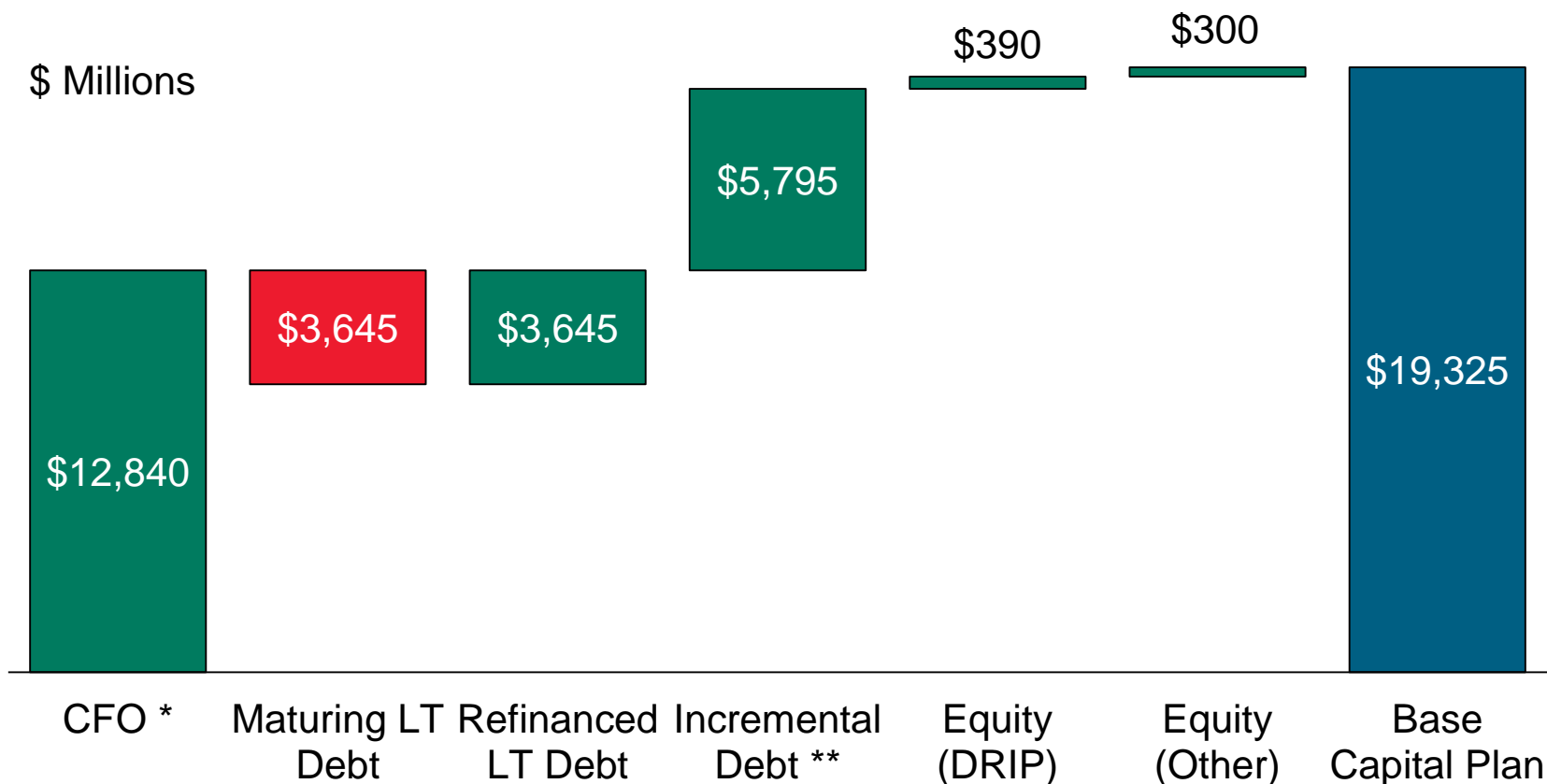
GAAP & Ongoing EPS Guidance Range: \$2.55 – \$2.65

Earnings Drivers	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather
W/A electric sales	Flat
W/A natural gas sales	Increase 0% to 1.0%
Capital rider revenue (net of PTCs)	Increase \$115 million - \$125 million
Purchase capacity costs	Decrease \$25 million - \$30 million
O&M expenses	Flat compared with 2017
Depreciation expense	Increase ~\$120 million - \$130 million, includes \$34 million for amortization of a prepaid pension asset (earnings neutral)
Property taxes	Increase ~\$15 million - \$25 million
Interest exp. (net of AFUDC-debt)	Increase \$70 million - \$80 million
AFUDC-equity	Decrease ~\$20 million - \$30 million
Effective tax rate (ETR)	~6-8%

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.

Five Year Financing Plan

Base Capital Financing Plan 2019-2023



* Cash from operations is net of dividends and pension funding

** Incremental debt reflects a combination of short and long-term debt

Financing plans are subject to change

2018 Financing Plan

Issuer	Security	Amount (millions)	Timing	Tenor	Coupon
Hold Co	Senior Unsecured Bonds	\$500	Completed	10 year	4.0%
PSCo	Green First Mortgage Bonds	\$350	Completed	10 year	3.7%
PSCo	Green First Mortgage Bonds	\$350	Completed	30 year	4.1%
NSPW	First Mortgage Bonds	\$200	Completed	30 year	4.2%
SPS	First Mortgage Bonds	\$300	2018 Q4	N/A	N/A

Xcel Energy is issuing up to \$300 million of equity in 2018 through an at-the-market offering, and has already issued approximately \$200 million. In addition, ~\$75 million of equity will 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.

2019 Financing Plan

Issuer	Security	Amount (millions)
Hold Co	Senior Unsecured Bonds	~\$600
NSPM	First Mortgage Bonds	up to \$700
PSCo	First Mortgage Bonds	~\$600
SPS	First Mortgage Bonds	~\$300
NSPW	First Mortgage Bonds	~\$100
Xcel Energy plans to issue ~\$75 million of equity through the dividend reinvestment and benefit programs.		

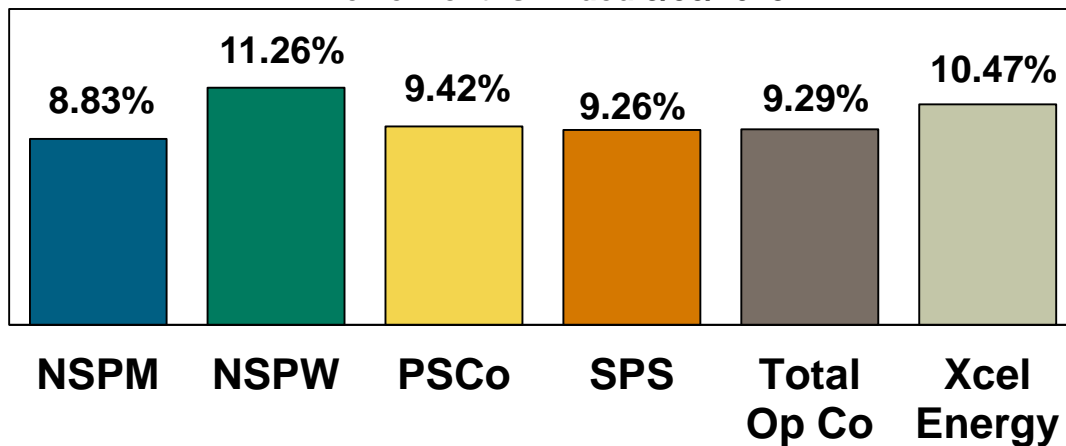
Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors.

Appendix

ROE Results – GAAP & Ongoing Earnings

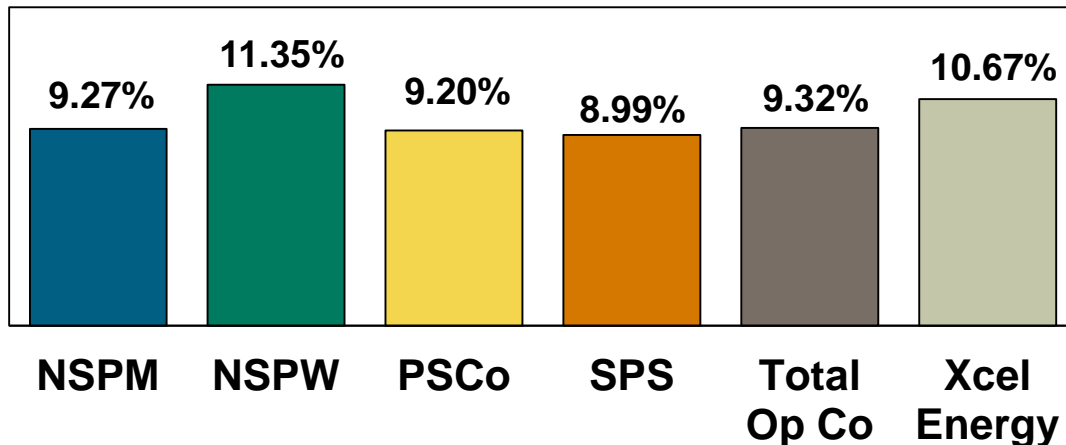
GAAP ROE

Twelve Months Ended 9/30/2018

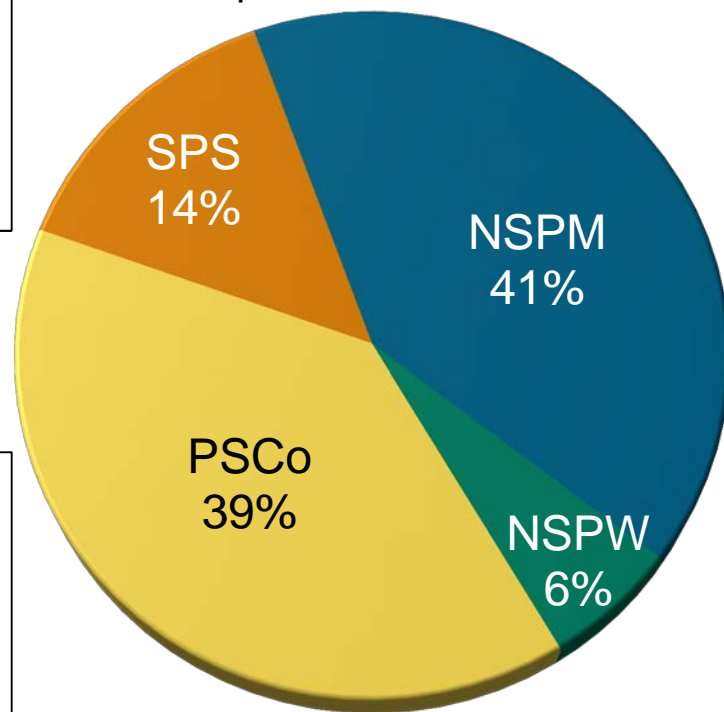


Ongoing ROE *

Twelve Months Ended 9/30/2018



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

Base Capital Expenditures by Function

	2019	2020	2021	2022	2023	Total 2019-2023
Electric Distribution	\$775	\$865	\$1,150	\$1,245	\$1,270	\$5,305
Electric Transmission	\$580	\$560	\$950	\$870	\$1,055	\$4,015
Renewables	\$1,830	\$1,455	\$240	\$0	\$0	\$3,525
Natural Gas	\$430	\$415	\$420	\$510	\$595	\$2,370
Electric Generation	\$420	\$310	\$480	\$560	\$545	\$2,315
Other	\$345	\$355	\$370	\$355	\$370	\$1,795
Total	\$4,380	\$3,960	\$3,610	\$3,540	\$3,835	\$19,325

Base Capital Expenditures by Company

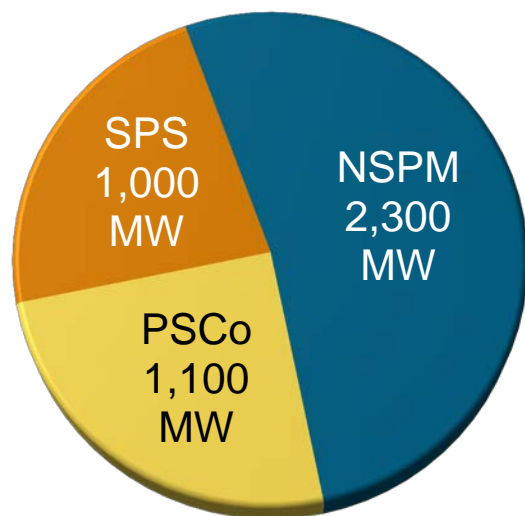
	2019	2020	2021	2022	2023	Total 2019-2023
NSPM	\$2,040	\$1,290	\$1,540	\$1,300	\$1,380	\$7,550
PSCo	\$1,020	\$1,730	\$1,335	\$1,395	\$1,530	\$7,010
SPS	\$1,130	\$770	\$460	\$530	\$635	\$3,525
NSPW	\$240	\$240	\$300	\$305	\$275	\$1,360
Other *	(\$50)	(\$70)	(\$25)	\$10	\$15	(\$120)
Total	\$4,380	\$3,960	\$3,610	\$3,540	\$3,835	\$19,325

* Other category includes intercompany transfers for safe harbor wind turbines.

Steel for Fuel Progress

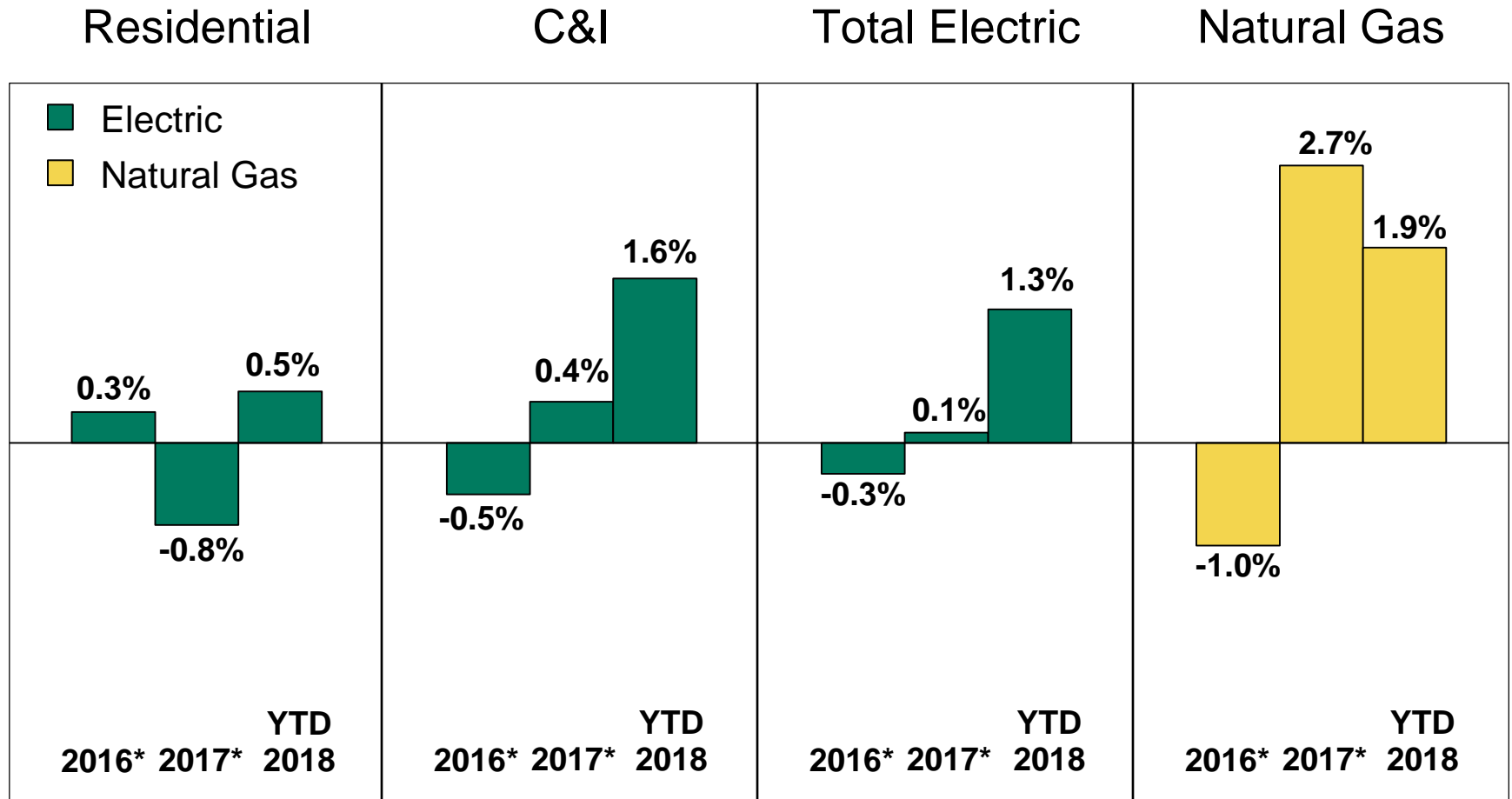
Cost effective renewables: Emission reductions - significant customer savings

**Projected
Owned Wind Capacity
by Company by 2021**



Project	Capacity	State	Estimated Completion	Regulatory Status
Rush Creek	600 MW	CO	2018	Constructed
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	Approved
Hale	478 MW	TX	2019	Approved
Sagamore	522 MW	NM	2020	Approved
Colorado Energy Plan	<u>500 MW</u>	CO	2020	Approved
Total New Ownership	3,550 MW			
Existing Ownership	<u>850 MW</u>	NSP		In service
Grand Total	4,400 MW			By 2021

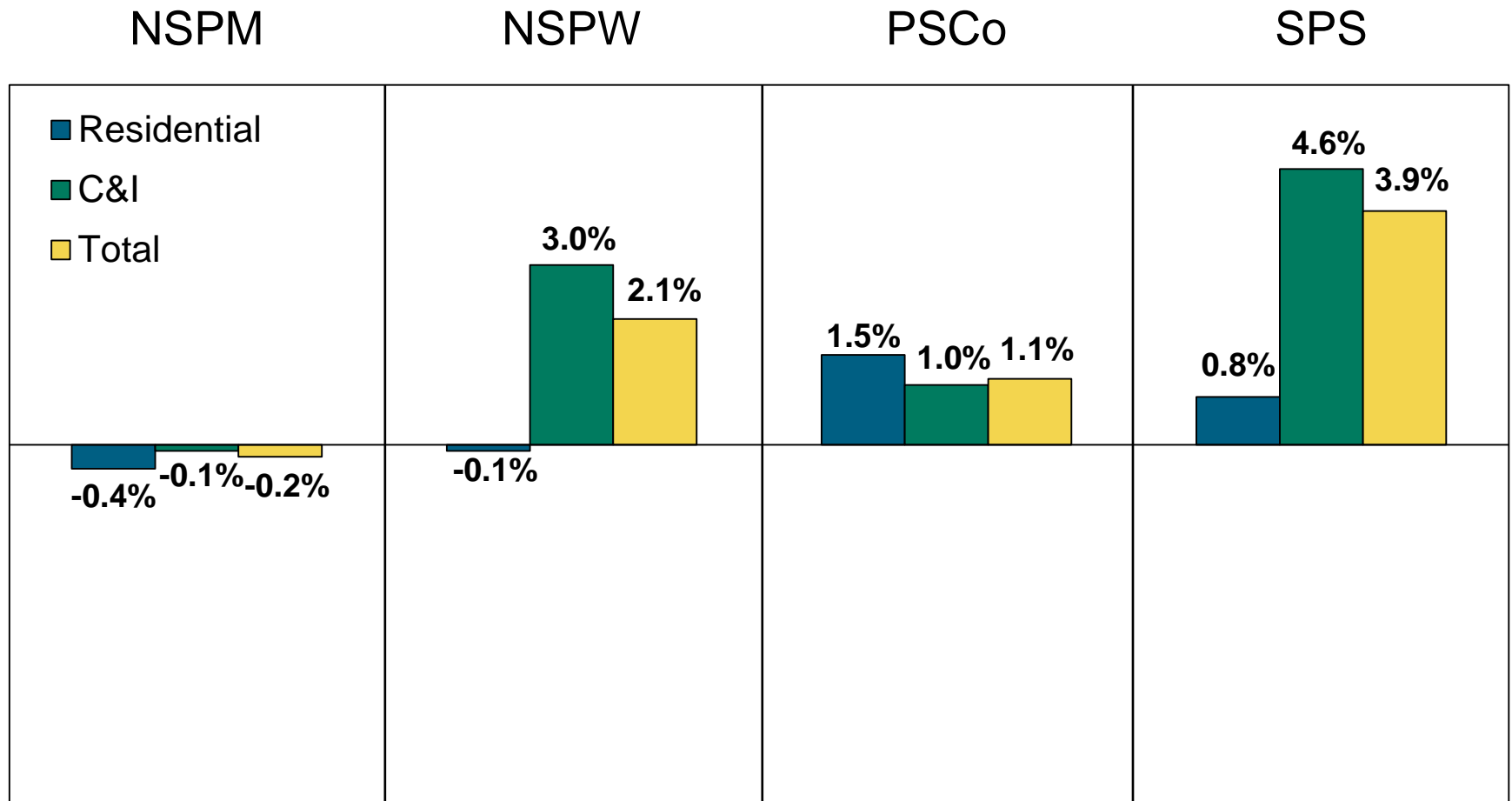
Xcel Energy W/A Sales Growth



* 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



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

Upcoming 2018 Fourth Quarter Events

Events	Dates
EEI Financial Conference	Nov. 11-13
Mizuho Conference	Dec. 4
Wells Fargo Conference	Dec. 5