

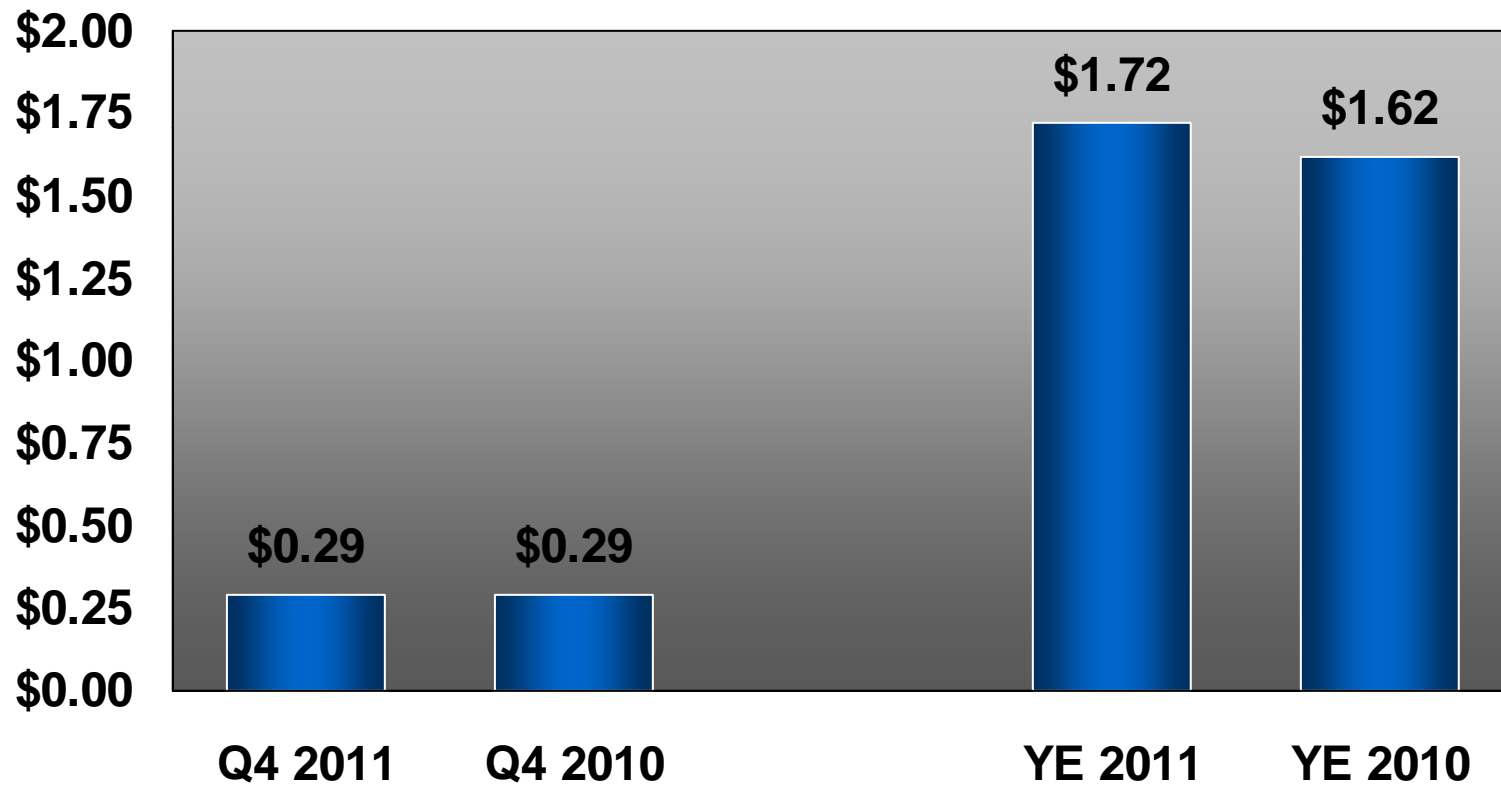


Year End 2011 Earnings Release Presentation

February 2, 2012



Ongoing EPS





EPS Results

	<u>Fourth Quarter</u>		<u>Year End</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
PSCo	\$ 0.18	\$ 0.17	\$ 0.82	\$ 0.86
NSP-Minnesota	0.11	0.12	0.73	0.60
SPS	0.01	0.01	0.18	0.17
NSP-Wisconsin	0.02	0.02	0.10	0.09
Equity earnings	<u>0.01</u>	<u>0.01</u>	<u>0.04</u>	<u>0.04</u>
Regulated utility	0.33	0.33	1.87	1.76
Holding company and other	<u>(0.04)</u>	<u>(0.04)</u>	<u>(0.15)</u>	<u>(0.14)</u>
Ongoing EPS	0.29	0.29	1.72	1.62
COLI Stmt and Medicare Part D	<u>-</u>	<u>-</u>	<u>-</u>	<u>(0.01)</u>
Continuing operations EPS	0.29	0.29	1.72	1.61
Discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.01</u>
Total GAAP EPS	\$ 0.29	\$ 0.29	\$ 1.72	\$ 1.62



EPS Change from Prior Year

	<u>Fourth Quarter</u>	<u>Year End</u>
2010 GAAP EPS	\$ 0.29	\$ 1.62
Discontinued Operations	-	(0.01)
2010 Continuing operations EPS	<u>0.29</u>	<u>1.61</u>
COLI Settlement and Medicate Part D	-	<u>0.01</u>
2010 Ongoing EPS	0.29	1.62
Higher electric margins	0.03	0.44
Higher natural gas margins	0.01	0.04
Higher O&M expenses	(0.02)	(0.11)
Dilution from DSPP, benefit plans & 2010 equity issuance	(0.01)	(0.08)
Higher taxes (other than income taxes)	(0.01)	(0.06)
Higher conservation and DSM expenses	(0.01)	(0.05)
Lower (higher) depreciation and amortization	0.03	(0.04)
Other, net	<u>(0.02)</u>	<u>(0.04)</u>
2011 GAAP and Ongoing EPS	\$ 0.29	\$ 1.72



Electric Margin Change from Prior Year

Dollars in millions	<u>Fourth Quarter 2011 vs. 2010</u>	<u>Year End 2011 vs. 2010</u>
Revenue requirements for PSCo generation acquisition	\$ 26	\$ 124
Retail rate increases, net of revenue subject to refund *	4	102
Conservation and DSM revenue (offset by expenses)	4	31
Transmission revenue, net of costs	5	20
Estimated impact of weather	(2)	18
Conservation and DSM incentive	(2)	14
Non-fuel riders	(13)	(5)
Other, net (including firm wholesale and deferred fuel adj)	(3)	30
Total Electric Margin Increase	<u>\$ 19</u>	<u>\$ 334</u>

* Final rates in Wisconsin and Texas, interim rates subject to refund in Minnesota and North Dakota



Gas Margin Change from Prior Year

Dollars in millions

	<u>Fourth Quarter 2011 vs. 2010</u>	<u>Year End 2011 vs. 2010</u>
Conservation & DSM revenue (offset by expense)	\$ 1	\$ 13
Estimated impact of weather	-	9
Return on PSCo gas in storage	4	4
Retail rate increase (Colorado)	3	3
Retail sales decrease (excluding weather impact)	(1)	(5)
Conservation and DSM incentive	(3)	(2)
Other, net	2	6
Total Natural Gas Margin Increase	<u>\$ 6</u>	<u>\$ 28</u>



O&M Expenses Change from Prior Year

Dollars in millions

	<u>Fourth Quarter 2011 vs. 2010</u>	<u>Year End 2011 vs. 2010</u>
(Lower) higher plant generation costs	\$ (2)	\$ 22
Higher labor and contract labor costs	1	18
Higher employee benefit costs	4	13
Higher nuclear plant operation costs	9	12
Higher insurance costs	3	4
Other, net	-	14
Total O&M Expense Increase	\$ 15	\$ 83



2011 Accomplishments

- **Met financial objectives**
 - **Ongoing earnings growth of 6%**
 - **Dividend growth of 3%**
 - **Maintained strong credit ratings**
- **Delivered total return in excess of 22%**
- **Exceeded energy efficiency and conservation program targets**
- **Achieved record customer satisfaction rating of 93%**
- **Named to the Dow Jones Sustainability Index for the fifth time**



2012 Financing Plans

- **NSP-Minnesota: Approximately \$800 million of FMB in Q3**
- **PSCo: Approximately \$750 million of FMB in Q3**
- **SPS: Approximately \$100 million of FMB in first half of year**
- **NSP-Wisconsin: Approximately \$100 million of FMB in second half of year**

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



Rate Case Update

- **Ongoing Rate Cases:**

- Colorado electric – Request of \$141.9 million, anticipate final rates to be in effect in Q3
- South Dakota electric – Request of \$14.6 million; interim rates of \$12.7 million implemented in January with a final decision expected in the first half of 2012
- Colorado wholesale – Request of \$16.1 million; decision expected in Q1

- **Settlements Pending Commission Decision:**

- Minnesota electric – A settlement was reached for a rate increase of \$58 million in 2011 with an additional \$14.8 million in 2012. The settlement agreement reflects a reduction to depreciation expense and rate request of \$30 million. The settlement is pending a commission decision, which is anticipated in Q1.
- North Dakota electric – A settlement was reached for a rate increase of \$13.7 million in 2011 with an additional \$2 million in 2012. The settlement is pending a commission decision, which is anticipated in Q1.



Earnings Guidance

Dollars per share

EPS Range

2012 Ongoing EPS

\$1.75 – \$1.85 *

** Anticipate 2012 ongoing earnings to be in the lower half of the guidance range*