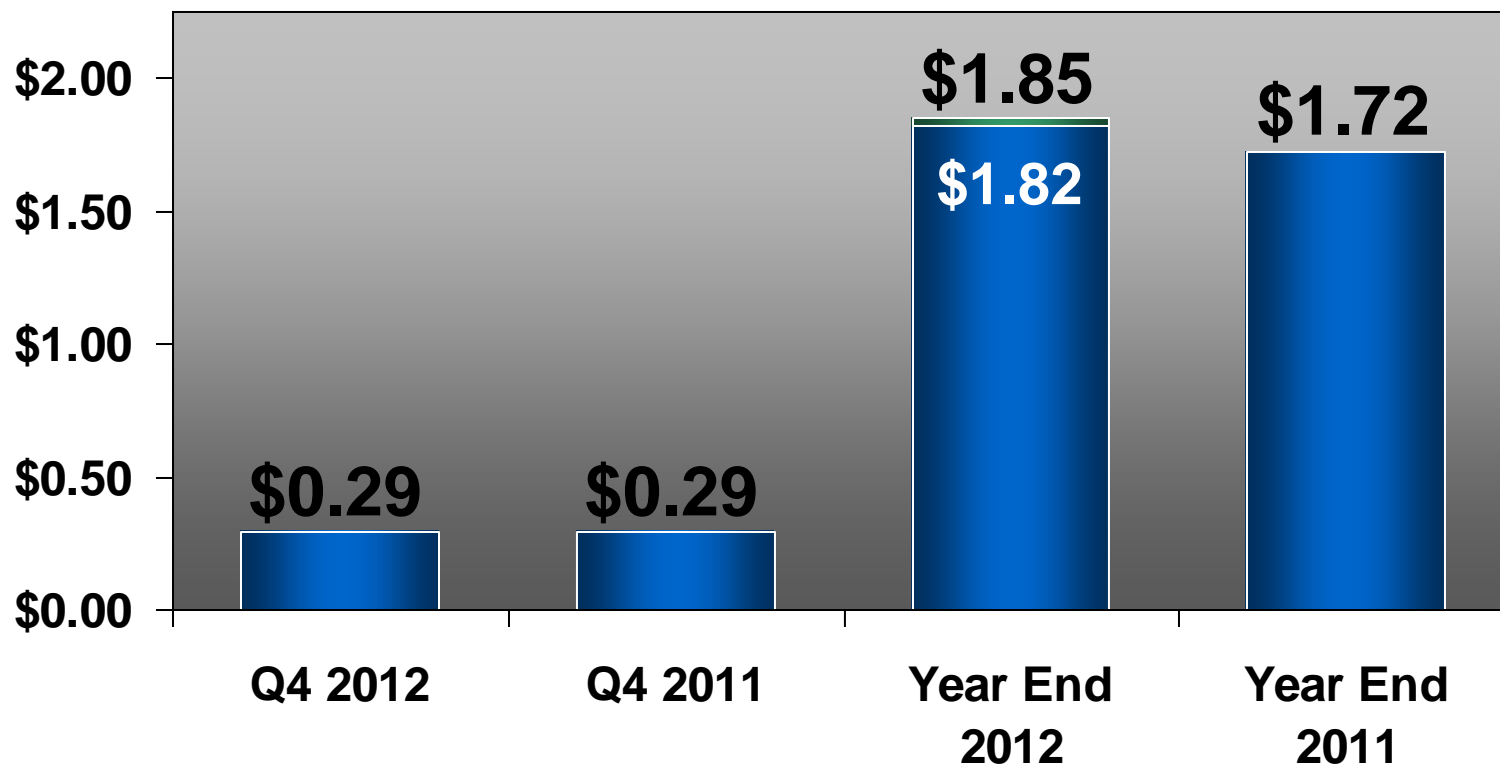




Year End 2012 Earnings Release Presentation

January 31, 2013

GAAP Earnings Per Share*



* Year end 2012 GAAP EPS include \$0.03 per share income tax benefit



EPS Results

	<u>Fourth Quarter</u>		<u>Year End</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
PSCo	\$ 0.16	\$ 0.18	\$ 0.90	\$ 0.82
NSP-Minnesota	0.13	0.11	0.70	0.73
SPS	0.01	0.01	0.22	0.18
NSP-Wisconsin	0.02	0.02	0.10	0.10
Equity earnings	0.01	0.01	0.04	0.04
Regulated utility	<u>0.33</u>	<u>0.33</u>	<u>1.96</u>	<u>1.87</u>
Holding company and other	<u>(0.04)</u>	<u>(0.04)</u>	<u>(0.14)</u>	<u>(0.15)</u>
Ongoing EPS	0.29	0.29	1.82	1.72
Prescription drug tax benefit	-	-	0.03	-
GAAP EPS	\$0.29	\$0.29	\$1.85	\$1.72

EPS Change from Prior Year

	<u>Fourth Quarter</u>	<u>Year End</u>
2011 GAAP and Ongoing EPS	\$ 0.29	\$ 1.72
Higher electric margins	0.05	0.15
Lower effective tax rate	0.01	0.04
Lower conservation and DSM expenses	-	0.03
Higher AFUDC - Equity	0.01	0.02
Higher natural gas margins	0.01	0.01
Higher O&M expenses	(0.04)	(0.05)
Higher depreciation and amortization *	(0.05)	(0.04)
Higher taxes (other than income taxes)	(0.01)	(0.04)
Lower (higher) interest charges	0.01	(0.01)
Other, net	0.01	(0.01)
2012 Ongoing EPS	\$ 0.29	\$ 1.82
Prescription drug tax benefit	-	0.03
2012 GAAP EPS	\$0.29	\$1.85

* Reflects 2011 settlement agreement in Minnesota electric rate case.

Electric Margin Change from Prior Year

Dollars in millions	<u>Fourth Quarter 2012 vs. 2011</u>	<u>Year End 2012 vs. 2011</u>
Retail rate increases (CO, TX, NM, WI, SD, ND, MI & MN)	\$ 50	\$ 125
Demand revenue	7	13
Transmission revenue, net of costs	(7)	13
Conservation and DSM incentive	(6)	12
Estimated impact of weather	4	1
Firm wholesale	(12)	(48)
Retail sales decrease, excluding weather	(2)	(6)
Conservation and DSM revenue, offset by expenses	2	(5)
Other, net	7	13
Total Electric Margin Increase	<u>\$ 43</u>	<u>\$ 118</u>

Gas Margin Change from Prior Year

Dollars in millions

	Fourth Quarter <u>2012 vs. 2011</u>	Year End <u>2012 vs. 2011</u>
Pipeline system integrity adjustment rider (CO)	\$ 7	\$ 29
Retail rate increases (CO and WI)	-	16
Estimated impact of weather	2	(26)
Conservation and DSM revenue, partially offset by exp's	(3)	(17)
Other, net	2	6
Total Natural Gas Margin Increase	<u>\$ 8</u>	<u>\$8</u>



O&M Expenses Change from Prior Year

Dollars in millions

**Fourth Quarter
2012 vs. 2011**

**Year End
2012 vs. 2011**

Employee benefits	\$ (1)	\$ 36
Pipeline system integrity costs	5	20
SmartGridCity	11	11
Prairie Island extended power uprate	10	10
Plant generation costs	(12)	(17)
Bad debt expense	(2)	(10)
Labor and contract labor costs	10	(2)
Other, net	14	(12)
Total O&M Expense Increase	\$ 35	\$ 36

Pending Rate Cases

Rate Case	Requested			Rates Anticipated to be Effective
	Rate Increase (millions)	ROE	Equity Ratio	
Minnesota Electric	\$285.0	10.60%	52.56%	Interim Jan 2013
Texas Electric	\$90.2	10.65%	52.00%	Summer 2013
Colorado Gas	\$70.5*	10.50%	56.00%	2013 Q3
New Mexico Electric	\$45.9	10.65%	53.89%	2014 Q1
South Dakota Electric	\$19.4	10.65%	52.89%	Interim Jan 2013
North Dakota Electric	\$16.9	10.6%	52.56%	Interim Feb 2013

* PSCo filed a request to increase natural gas rates \$48.5 million in 2013 with step increases of \$9.9 million in 2014 and \$12.1 million in 2015. PSCo is requesting an extension of its PSIA rider to recover the costs of accelerated pipeline integrity efforts. The PSIA would increase by \$26.8 million in 2014 with a subsequent increase of \$24.7 million in 2015 in addition to the proposed increase in base rates.



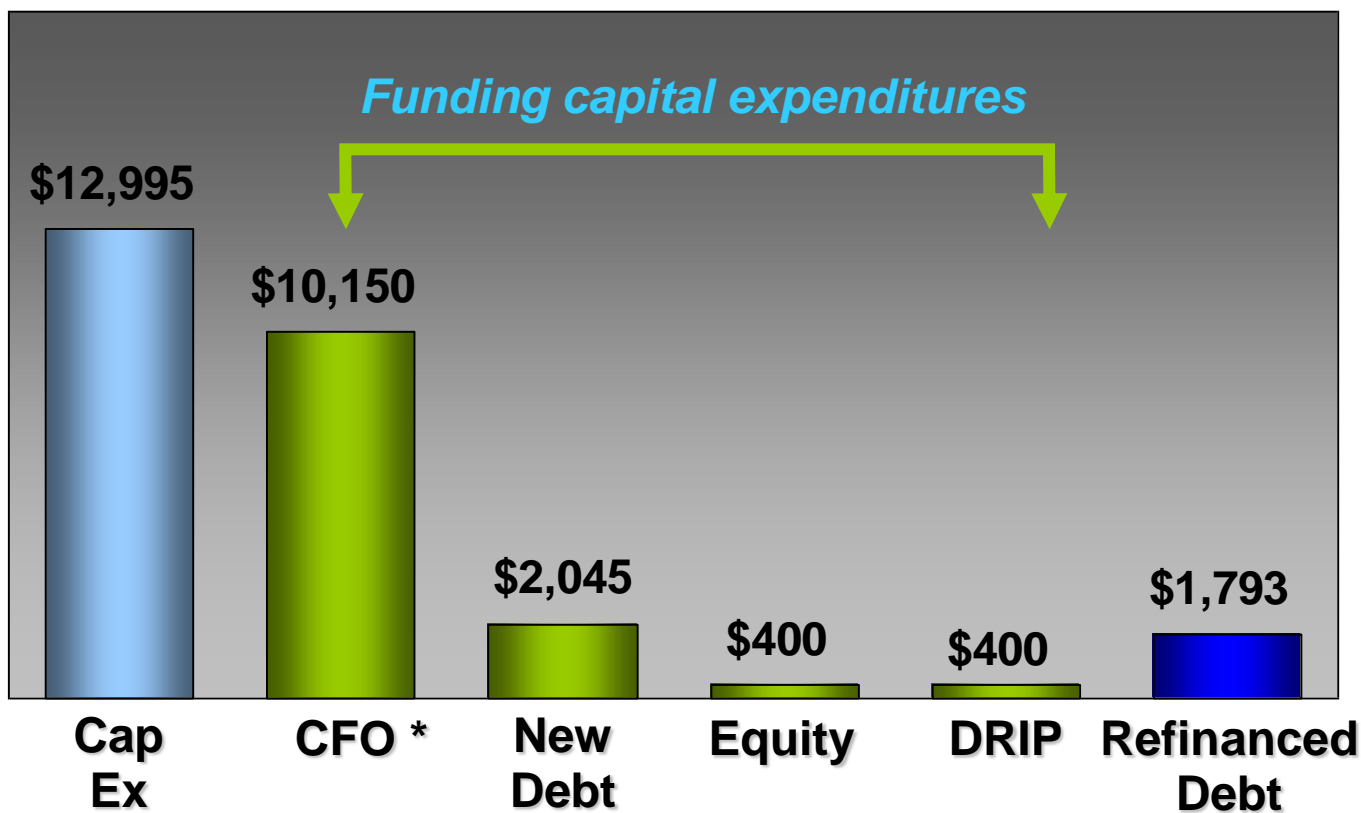
Forecasted Capital Expenditures

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NSPM	\$1,395	\$1,135	\$910	\$925	\$1,080
PSCo	1,075	1,000	850	800	840
SPS	490	400	305	300	345
NSPW	180	240	245	230	235
WYCO	15	0	0	0	0
Total	\$3,155	\$2,775	\$2,310	\$2,255	\$2,500

Financing Plan 2013 – 2017

Dollars in millions



* Cash from operations, net of dividend and pension funding

A decorative image in the top-left corner showing a blue paper dollar sign on a surface with a grid pattern, casting a shadow.

2013 Financing Plans

- **NSPM: Approximately \$400 million of FMB in first half of year**
- **PSCo: Approximately \$500 million of FMB in first half of year**
- **SPS: Approximately \$100 million of FMB in first half of year**

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



Earnings Guidance

Dollars per share

EPS Range

2013 EPS

\$1.85 - \$1.95