

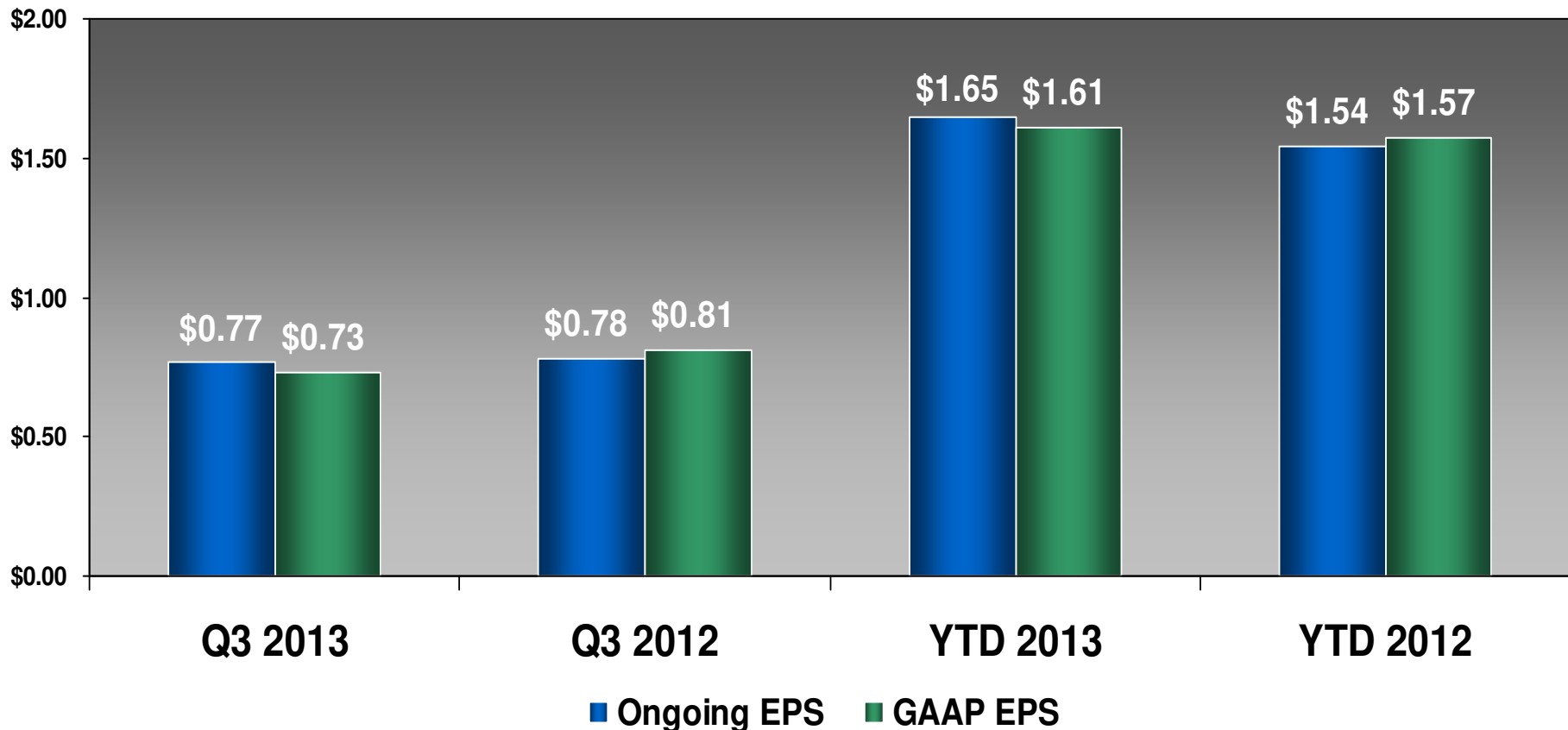


Third Quarter 2013 Earnings Release Presentation

October 24, 2013



Earnings Per Share



2013 Q3 and YTD GAAP EPS includes \$0.04 per share charge associated with FERC complaint orders. 2012 Q3 and YTD GAAP EPS reflect a \$0.03 per share tax benefit associated with federal subsidies for prescription drug plans.



EPS Results

	<u>Third Quarter</u>		<u>YTD</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
PSCo	\$ 0.33	\$ 0.36	\$ 0.77	\$ 0.75
NSP-Minnesota	0.31	0.28	0.67	0.57
SPS	0.11	0.12	0.19	0.20
NSP-Wisconsin	0.05	0.04	0.11	0.09
Equity earnings	0.01	0.01	0.03	0.03
Regulated utility	<u>0.81</u>	<u>0.81</u>	<u>1.77</u>	<u>1.64</u>
Holding company and other	<u>(0.04)</u>	<u>(0.03)</u>	<u>(0.12)</u>	<u>(0.10)</u>
Ongoing EPS	0.77	0.78	1.65	1.54
SPS 2004 FERC complaint orders	(0.04)	-	(0.04)	-
Prescription drug tax benefit	<u>-</u>	<u>0.03</u>	<u>-</u>	<u>0.03</u>
GAAP EPS	\$0.73	\$0.81	\$1.61	\$1.57



EPS Change from Prior Year

	<u>Third Quarter</u>	<u>YTD</u>
2012 GAAP EPS	\$ 0.81	\$ 1.57
Prescription drug tax benefit	<u>(0.03)</u>	<u>(0.03)</u>
2012 Ongoing EPS	\$ 0.78	\$ 1.54
Higher electric margins (excludes impact of SPS 2004 FERC complaint orders)	-	0.15
Higher natural gas margins	0.01	0.07
Lower interest charges (excludes impact of SPS 2004 FERC complaint orders)	0.02	0.04
Higher AFUDC – Equity	0.01	0.04
Lower effective tax rate	0.02	0.02
Higher O&M expenses	(0.05)	(0.11)
Lower (higher) depreciation and amortization	0.01	(0.03)
Dilution from ATM program, DRIP and benefits plan	(0.02)	(0.03)
Higher taxes (other than income taxes)	(0.01)	(0.02)
Other, net	<u>-</u>	<u>(0.02)</u>
2013 Ongoing EPS	\$ 0.77	\$ 1.65
SPS 2004 FERC complaint orders	<u>(0.04)</u>	<u>(0.04)</u>
2013 GAAP EPS	\$ 0.73	\$ 1.61



Electric Margin Change from Prior Year

Dollars in millions

	<u>Third Quarter 2013 vs. 2012</u>	<u>YTD 2013 vs. 2012</u>
Retail rate increases (CO, TX, WI, SD, ND & MN)*	\$ 46	\$ 177
Transmission revenue, net of costs	9	29
Non-fuel riders	7	10
SPS 2004 FERC complaint orders	(5)	(5)
Conservation and DSM incentive	(17)	(26)
PSCo earnings test refund obligation	(11)	(20)
Firm wholesale	(7)	(20)
Estimated impact of weather	(20)	(1)
Other, net	-	(21)
Total increase in ongoing electric margin	\$ 2	\$ 123
SPS 2004 FERC complaint case orders	(26)	(26)
Total (decrease) increase in GAAP electric margin	\$ (24)	\$ 97

**Interim rate increase in ND is subject to refund.*



Gas Margin Change from Prior Year

Dollars in millions

	<u>Third Quarter 2013 vs. 2012</u>	<u>YTD 2013 vs. 2012</u>
Estimated impact of weather	\$ -	\$ 34
Retail rate increases (WI and CO interim)	7	8
Retail sales growth	1	7
Conservation and DSM revenue (offset by expenses)	(1)	4
Other, net	<u>(2)</u>	<u>-</u>
Total Natural Gas Margin Increase	\$ 5	\$ 53



O&M Expenses Change from Prior Year

Dollars in millions

**Third Quarter
2013 vs. 2012**

**YTD
2013 vs. 2012**

Electric and gas distribution expenses
Nuclear plant operations and amortization
Transmission costs
Employee benefits
Other, net
Total increase in O&M expenses

\$15
13
2
5
9

\$ 44

\$32
28
11
4
16

\$ 91



Pending Rate Cases

Rate Case	<i>Requested</i>			Rates Anticipated to be Effective
	Rate Increase (millions)	ROE	Equity Ratio	
Colorado Gas	\$64.7*	10.30%	56.00%	Interim Aug 2013
New Mexico Electric	\$32.5	10.25%	53.89%	2014 Q1
Wisconsin Electric	\$34.0	10.40%	52.50%	2014 Q1
Wisconsin Gas	\$0.0	10.40%	52.50%	2014 Q1
North Dakota Electric	\$14.9	10.25%	52.56%	Interim Feb 2013

* PSCo filed a request to increase natural gas rates \$44.8 million in 2013 with step increases of \$9.0 million in 2014 and \$10.9 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.



Earnings Guidance

Dollars per share

EPS Range

2013 EPS

\$1.85 – \$1.95 *

2014 EPS

\$1.90 – \$2.05

Notes:

** 2013 Ongoing EPS is expected to be in the upper half of guidance range.*

** 2013 GAAP EPS is expected to be within the guidance range*



2013 Guidance Assumption Changes

Changes to the 2013 earnings guidance since our Q2 earnings release:

<i>Earnings Driver</i>	<i>Key Assumptions</i>	
	<i>Previous</i>	<i>Current</i>
Depreciation Expense	<i>Increase \$75-\$85M</i>	Increase \$50-\$55M
Property Taxes	<i>Increase \$20-\$25M</i>	Increase \$15-\$20M
Interest Expense	<i>Decrease \$40-\$45M</i>	Decrease \$30-\$40M



2014 Earnings Guidance Assumptions

Xcel Energy's 2014 ongoing earnings guidance of \$1.90 to \$2.05 per share is based on the following assumptions:

- **Constructive outcomes in all regulatory proceedings, including the implementation of interim rates**
- **Normal weather throughout the year**
- **Weather-adjusted retail electric utility sales growth of 0.5%**
- **Weather-adjusted retail firm natural gas sales decline of 0.0-2.0%**
- **Capital rider revenue is projected to increase by \$45-\$50 million**
- **O&M expenses are projected to increase 2-3%**
- **Depreciation expense is projected to increase \$110-\$120 million**
- **Property taxes projected to increase approximately \$50-\$55 million**
- **Interest expense is projected to decrease \$0-\$10 million**
- **AFUDC-Equity is projected to increase \$10-\$15 million**
- **Effective tax rate is projected to be 34-36%**
- **Average CSE are projected to be approximately 506 million shares**



Long-Term EPS and Dividend Growth Rate Objectives

- Xcel Energy expects to deliver an attractive total return through a combination of earnings growth and dividend yield, based on the following long-term objectives:
 - Long-term annual EPS growth of 4% to 6%, based on a normalized 2013 EPS of \$1.90 per share, which represents the mid-point of our 2013 earnings guidance range
 - Annual dividend increases of 4% to 6%
 - Senior unsecured debt credit ratings in the BBB+ to A range