



Report to Shareholders

Dear shareholders: We are pleased to tell you that Xcel Energy reported 2014 first quarter earnings of \$261 million, or 52 cents per share, compared with 2013 first quarter earnings of \$237 million, or 48 cents per share. Colder weather at NSP-Minnesota and NSP-Wisconsin and rate increases in several jurisdictions favorably affected our results. These positive factors were partially offset by increased operating and maintenance expenses and property taxes.

We experienced extremely cold temperatures in our northern service territories that positively affected our quarterly earnings by four cents per share, when compared with first quarter 2013, and we are proud to report our system operated well despite the weather, with no major service interruptions.

Earlier in the year, our board of directors approved a 7 percent increase in our dividend, or 8 cents per share, which exceeds our targeted annual dividend growth objective of 4 to 6 percent. We also accelerated the timing of our annual dividend increases to February.

In addition, we received constructive regulatory outcomes in two of our states. In North Dakota, the commission approved a four-year, multi-year

settlement in our electric rate case. The New Mexico commission granted an electric rate increase that was approximately in line with our revised request.

With a strong start to the year, we are reaffirming our 2014 ongoing earnings guidance of \$1.90 to \$2.05 per share.

In other good news, we were pleased to be named once again the No. 1 provider of wind energy in the nation by the American Wind Energy Association, a position we've held for 10 consecutive years. And as you know from reading our recent annual report to shareholders, we plan to increase our already significant portfolio of wind resources by 40 percent. We're proud of our environmental leadership but especially proud that we've determined how to deliver wind energy at a competitive price for customers.

Our early adoption of wind energy and the effort we've put into making it viable for customers are similar to the approach we plan to take with solar power. We recently, for example, proposed a new program in Colorado called Solar*Connect that will give many more customers the opportunity to choose solar energy, even if they don't own a home or aren't able to install photovoltaic panels on their homes or businesses. The program will provide energy from large-scale solar projects in Colorado, complementing the rooftop solar and solar garden options. Because the program will take advantage of the efficiencies of large-scale solar, it will cost less than any other customer-driven solar product in Colorado.

Earlier in the year, we proposed a plan to Minnesota regulators to add up to 150 megawatts of large-scale solar resources in our Upper Midwest service territory by the end of 2016. Again, we want to leverage the economies of large-scale systems to keep costs as low as possible for customers.

With a long winter behind us, we are looking ahead to warmer weather and preparing for the eventuality of spring and summer storms. Just as we prepare for

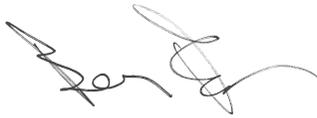


*In Colorado, we are offering the option of solar energy to many more customers through a program called Solar*ConnectSM*

winter, our warm weather preparation and our investment in our systems are responsible for our ability to respond quickly in emergencies and restore power after storms. The Edison Electric Institute (EEI) recently recognized that ability with its EEI Emergency Response Award. We were happy to accept it.

All of our efforts to serve customers, of course, build value for you. In fact, meeting the needs of shareholders drives our strategic path forward. Again, we are pleased with our good progress in first quarter 2014.

Sincerely,



Ben Fowke
Chairman, President and CEO

Join us at the annual meeting

Xcel Energy's annual meeting of shareholders will be held Wed., May 21, at 11 a.m. CDT, at the Radisson Hotel, 201 N. 5th Street, Fargo, N.D. At the meeting, we will outline accomplishments and challenges, conduct company business, announce voting results and answer your questions.

You must reserve an admission ticket by May 16 to attend. Please contact Xcel Energy's Corporate Secretary department by email at corporatesecretary@xcelenergy.com or by telephone at **612-215-5391** to reserve a ticket.

If you are not able to join us in person, consider listening to a webcast of the meeting, which will be available simultaneously and also archived on the Investors page of xcelenergy.com.

IMPORTANT INFORMATION FOR SHAREHOLDERS

Wells Fargo shareowner services features online account management through Shareowner Online. Shareowner Online is the convenient and secure way to manage your account. Enroll in the Direct Stock Purchase Plan, update your account, purchase or sell stock, get tax information and forms, review and print your record of transactions and much more, quickly and conveniently. Begin by visiting shareowneronline.com.

If you receive a dividend by check each quarter, consider signing up for direct deposit. Your dividend payment will be deposited into the authorized bank account on the dividend payable date, which eliminates inconveniences due to late or lost mail. You may request a direct deposit authorization form by calling Wells Fargo Shareowner Services at **1-877-778-6786**.

Consider depositing certificated shares into book entry at Wells Fargo and avoid the cost of certificate replacement due to loss, theft or destruction. To deposit your certificate(s) into book entry, send original certificate(s), including a letter of instructions, to Wells Fargo Shareowner Services, 1110 Centre Pointe Curve, Suite 101, MAC N9173-010, Mendota Heights, Minn. 55120. You will receive a confirmation of the deposit from Wells Fargo.