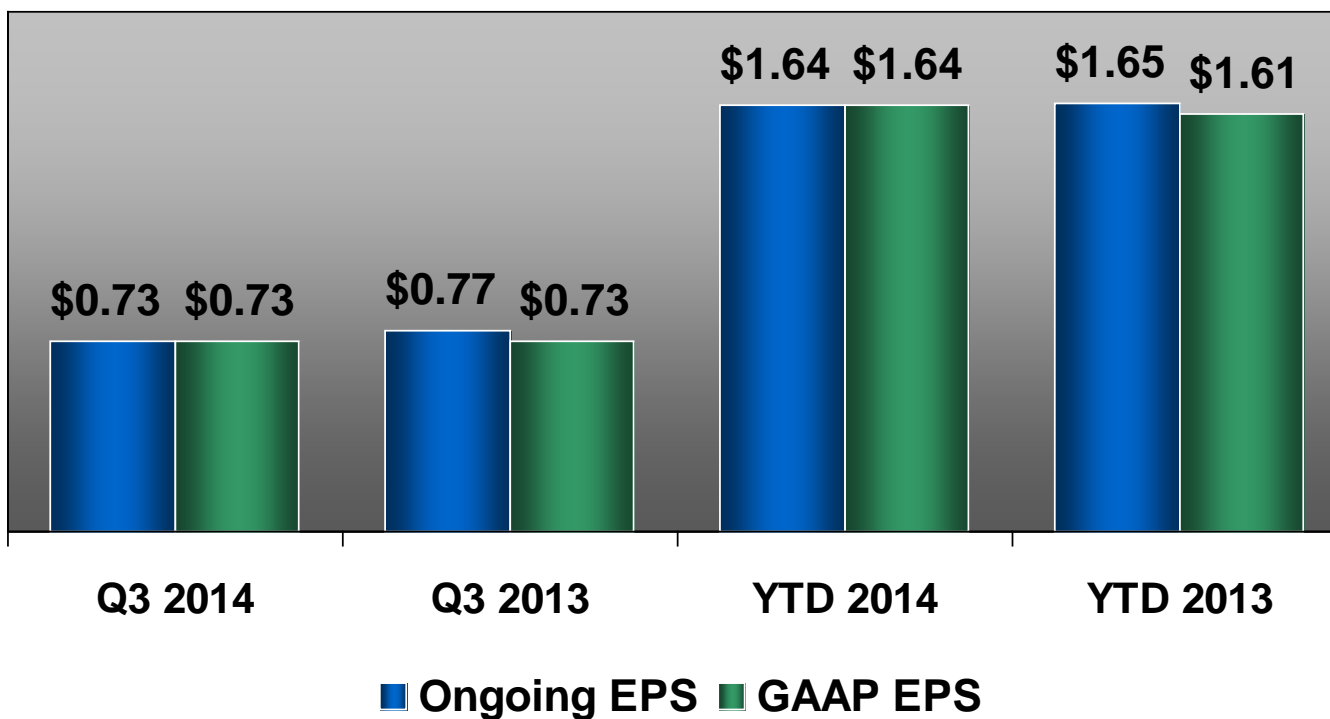




Third Quarter 2014 Earnings Release Presentation

October 30, 2014

EPS Results



2013 Q3 and 2013 YTD GAAP EPS include a charge of \$0.04 per share associated with FERC complaint orders



2014 Q3 YTD Highlights

- O&M on track with annual guidance of a 2-3% increase for 2014
- Better-than-expected YTD weather-adjusted electric sales growth of 1.4%
- Narrowed 2014 ongoing EPS guidance to \$1.95 to \$2.05, from \$1.90 to \$2.05
- Introduced 2015 ongoing EPS guidance of \$2.00 to \$2.15
- Updated five-year capital forecast drives rate base growth of 4.7%
- No equity financing needed beyond DRIP & benefits through 2019

Earnings per share guidance assumes constructive regulatory outcomes

EPS Results by Operating Company

	<u>Third Quarter</u>		<u>YTD</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
PSCo	\$ 0.30	\$ 0.33	\$ 0.72	\$ 0.77
NSP-Minnesota	0.27	0.31	0.63	0.67
SPS	0.13	0.11	0.23	0.19
NSP-Wisconsin	0.04	0.05	0.11	0.11
Equity earnings	0.01	0.01	0.03	0.03
Regulated utility	<u>0.75</u>	<u>0.81</u>	<u>1.72</u>	<u>1.77</u>
Holding company and other	<u>(0.02)</u>	<u>(0.04)</u>	<u>(0.08)</u>	<u>(0.12)</u>
Total Ongoing diluted EPS	\$ 0.73	\$ 0.77	\$ 1.64	\$ 1.65
SPS 2004 FERC complaint case orders	-	(0.04)	-	(0.04)
Total GAAP diluted EPS	\$ 0.73	\$ 0.73	\$ 1.64	\$ 1.61



EPS Change from Prior Year

	<u>Third Quarter</u>	<u>YTD</u>
2013 GAAP EPS	\$ 0.73	\$ 1.61
SPS 2004 FERC complaint case orders	0.04	0.04
2013 Ongoing EPS	\$ 0.77	\$ 1.65
Higher electric margins	0.01	0.15
Higher natural gas margins	0.01	0.05
Lower interest charges	-	0.01
Higher AFUDC – equity	-	0.01
Lower (higher) O&M expenses	0.01	(0.06)
Higher taxes (other than income taxes)	(0.02)	(0.05)
Higher depreciation and amortization	(0.03)	(0.04)
Higher conservation and DSM program expenses	(0.01)	(0.04)
Dilution (ATM program, DRIP and benefit plans)	(0.01)	(0.02)
Other, net	-	(0.02)
2014 GAAP and ongoing EPS	\$ 0.73	\$ 1.64



Electric Margin Change from Prior Year

Dollars in millions	<u>Third Quarter 2014 vs. 2013</u>	<u>YTD 2014 vs. 2013</u>
Retail rate increases*	\$ 39	\$ 93
Non-fuel riders	13	37
Conservation and DSM revenues (offset by expenses)	8	33
Transmission revenue, net of costs	3	25
Retail sales growth, excluding weather impact	3	22
Estimated impact of weather	(56)	(53)
Firm wholesale	7	(7)
Other, net	(9)	(26)
Total increase in ongoing electric margin	\$ 8	\$ 124
SPS 2004 FERC complaint case orders	\$ 26	\$ 26
Total increase in electric margin	\$ 34	\$ 150

* The retail rate increases are net of estimated earnings test refund obligations in Colorado and net of an estimated provision for refund in the Minnesota electric rate case



Natural Gas Margin Change from Prior Year

Dollars in millions

	<u>Third Quarter 2014 vs. 2013</u>	<u>YTD 2014 vs. 2013</u>
Retail rate increase, net of refund (CO)	\$ (1)	\$ 16
PSIA rider (partially offset in O&M expenses)	7	10
Retail sales growth	1	7
Estimated impact of weather	-	3
Other, net	1	2
Total natural gas margin increase	<u>\$ 8</u>	<u>\$ 38</u>



O&M Expenses Change from Prior Year

Dollars in millions

	<u>Third Quarter 2014 vs. 2013</u>	<u>YTD 2014 vs. 2013</u>
Nuclear plant operations and amortization	\$ (1)	\$ 25
Electric and natural gas distribution expenses	(1)	12
Plant generation costs	2	8
Transmission costs	1	7
Employee benefits	(9)	(18)
Other, net	1	13
Total increase (decrease) in O&M expenses	<u>\$ (7)</u>	<u>\$ 47</u>

Pending Regulatory Cases

Rate Case	Requested Increase	Requested ROE	Expected Decision
Minnesota Electric	\$248 million Over Two Years	10.25%	2015 Q1
Colorado Electric	\$136 million	10.35%	2015 Q2
South Dakota Electric	\$16 million	10.25%	2015 Q1
Wisconsin Electric	\$16 million	10.20%	2014 Q4
Texas Electric	Settlement Reached \$37 million	9.7%	Pending PUCT Approval in 2014

Monticello EPU/LCM prudence review - expected decision 2015 Q1



2014 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$1.95 – \$2.05

	<i>Key Assumptions</i>	
<i>Earnings Driver</i>	<i>Previous</i>	<i>Current</i>
W/A Natural Gas Sales	Increase 2.0%	Increase 3.0%
AFUDC Equity	Increase \$5-\$10 million	Increase \$0-\$10 million



2015 Earnings Guidance Assumptions

Xcel Energy's 2015 ongoing earnings guidance of \$2.00 to \$2.15 per share is based on the following assumptions:

- Constructive outcomes in all regulatory proceedings
- Normal weather throughout the year
- Weather-adjusted retail electric sales growth of approximately 1%
- Weather-adjusted retail firm natural gas sales decline of 2%
- Capital rider revenue is projected to increase by \$65-\$75 million
- O&M expenses are projected to increase 0 - 2%
- Depreciation expense is projected to increase \$160-\$180 million
- Property taxes projected to increase approximately \$75-\$85 million
- Interest expense is projected to increase \$65-\$75 million
- AFUDC-Equity is projected to decrease \$30-\$40 million
- Effective tax rate is projected to be 34-36%
- Average CSE are projected to be approximately 508 million shares

A close-up photograph of a blue paper dollar sign resting on a financial document with various numbers and lines, casting a shadow.

Upcoming 2014 Events

- **EEI Financial Conference: Nov. 11-14**
- **Barclays Conference: Dec. 15-17**