



## Report to Shareholders

**Dear shareholders:** Xcel Energy in October reported third quarter 2014 earnings of 73 cents per share, compared with 77 cents per share in third quarter 2013.

The decrease in earnings was largely due to the impact of weather, which adversely affected earnings by 7 cents per share. Earnings also reflect higher electric and natural gas margins due to new rates in various jurisdictions and expected lower operating and maintenance (O&M) expenses, which were partially offset by higher depreciation and amortization and property taxes.

Although the weather was unfavorable, we had a solid quarter that keeps us on track to achieve our 2014 earnings guidance for the 10th year in a row and allows us to narrow the guidance range from \$1.95 to \$2.05 per share. Our O&M expenses were down for the quarter, and we are positioned to meet our annual O&M growth objective of 2 percent to 3 percent.

We also made progress in various regulatory proceedings across our jurisdictions. For the pending multi-year Minnesota electric rate case, we reached agreement with stakeholders on several key issues and continue to believe that we will achieve constructive outcomes on the remaining items.

Looking ahead, we've released a capital plan that positions us to continue to be competitive and supports an attractive value proposition of 4 percent to 6 percent growth in annual earnings per share and our annual dividend.

We also introduced our 2015 ongoing earnings guidance of \$2 to \$2.15 per share, solidly within our 4 percent to 6 percent earnings growth rate objective.

### **Xcel Energy is named to the Dow Jones Sustainability Index**

In other news, Xcel Energy has once again been included in the Dow Jones Sustainability Index for North America, one of the most recognized benchmarks worldwide for corporate sustainability. This is the eighth year Xcel Energy has made the list, which is a real honor and indicates that we are on the right track in terms of providing affordable energy in an increasingly sustainable way.

In addition to the Dow Jones Sustainability Index recognition, we were named as one of the top U.S. utilities for delivering renewable energy and energy efficiency to customers in a Ceres report entitled Benchmarking Utility Clean Energy. This study compared the clean energy performance of 32 investor-owned utilities from around the country.

Overall, Xcel Energy ranks No. 2 for renewable energy sales and No. 5 for energy efficiency savings. In addition, the American Wind Energy Association has ranked us the No. 1 provider of wind energy in the nation for 10 consecutive years.

### **Working with and for our communities**

Our collaborative approach to sustainability is evident in a first-of-its-kind Clean Energy Partnership that Xcel Energy has established with the city of Minneapolis and CenterPoint Energy. We will work together on new ways to enable Minneapolis to achieve its clean energy goals.

Minneapolis Mayor Betsy Hodges praised the collaboration, saying, "This is a very promising solution that could be a model for cities across the nation to follow."

We also are pleased with the partnership because it meets our goal to become more engaged than ever with our communities. It was in that spirit that Xcel Energy employees, retirees, family members and friends volunteered for a Day of Service in September.

In total, more than 2,700 people helped with various projects at dozens of nonprofit organizations. In the Upper Midwest alone, more than 2,000 volunteer hours were contributed to nonprofit partners, an in-kind value of more than \$45,000.

It's just one more way that Xcel Energy supports the communities it serves.

Sincerely,



**Ben Fowke**  
Chairman, President and CEO



*More than 2,700 Xcel Energy employees, retirees, friends and family members volunteered for the company's annual Day of Service.*

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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.

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