

## Letter to shareholders

January 2015

### Dear shareholders:

Xcel Energy reported 2014 ongoing earnings of \$2.03 per share, compared with \$1.95 per share in 2013. Rate increases, sales growth and lower interest charges contributed to those results.

It was a good finish to the year, and we executed well on our plans. Our 2014 ongoing earnings were in the upper half of our guidance range, we experienced better-than-expected sales growth and we held operating and maintenance expenses to a moderate increase. While we faced headwinds earlier in the year, we are pleased with those solid results.



*The advanced forecasting system that Xcel Energy uses to manage wind on its Public Service Company of Colorado system was recognized recently with a prestigious Governor's Award in Colorado. Since 2008, the company has been working with the National Center for Atmospheric Research to improve the predictability of the company's wind resources.*

On the regulatory front, we completed rate cases in Texas and Wisconsin and received a constructive administrative law judge recommendation in our Minnesota electric multi-year case. In January 2015, we reached a settlement establishing a new three-year electric rate plan in Colorado, building off our current multi-year plan and providing greater rate certainty for the future.

At the same time, we continue to make significant progress on investments in transmission and clean generation projects that will serve our customers well into the future and provide a platform for future growth.

We also took important actions in 2014 to position us to achieve our long-term strategic objectives. Continued growth through smart investments in strategic infrastructure and developing new service options for customers will position us to be successful as the energy industry evolves to be more competitive. Forming independent transmission companies—called TransCos—and our recently filed resource plan for the Upper Midwest are good examples of these efforts.

Going forward, we are focused on improving the performance of our operating companies. New long-term regulatory compacts are essential to our future success and will be central in closing the gap between allowed

## Important information for shareholders

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The 2014 1099-DIV forms began mailing to shareholders on Jan. 16, 2015. Contact Wells Fargo at 1-877-778-6786 if you do not receive your 2014 tax forms by Feb. 12, 2015.

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.

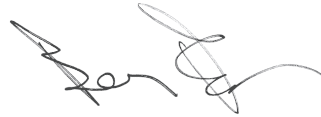
and earned returns. We recently made a filing in Minnesota that proposes to streamline the regulatory process, provide a longer-term compact and achieve important energy policy objectives. We look forward to working with stakeholders to get this important work done.

Given the momentum established in 2014 and prospects for 2015, we are reaffirming our 2015 ongoing earnings guidance of \$2.00 to \$2.15 per share.

Finally, we are proud to say that we wrapped up the year with a successful United Way campaign, raising \$2.725 million. Because of the generous support of Xcel Energy employees and retirees, our local communities will benefit from more than \$5 million in donations and company match contributions.

We are looking forward to another successful year and are approaching it with the same determination to build value for you. Thank you for placing your trust in us.

Sincerely,



**Ben Fowke**  
Chairman, President and CEO

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