

Letter to shareholders

July 2015

Dear shareholders:

Xcel Energy reported second quarter 2015 ongoing earnings of 39 cents per share, compared with 39 cents per share in 2014.

Our financial results during the first half of the year were generally in line with our expectations, and we continue to expect to deliver earnings within our 2015 earnings guidance range of \$2.00 to \$2.15 per share, despite lower-than-anticipated sales, unfavorable weather and final adjustments to our rate request in Minnesota.

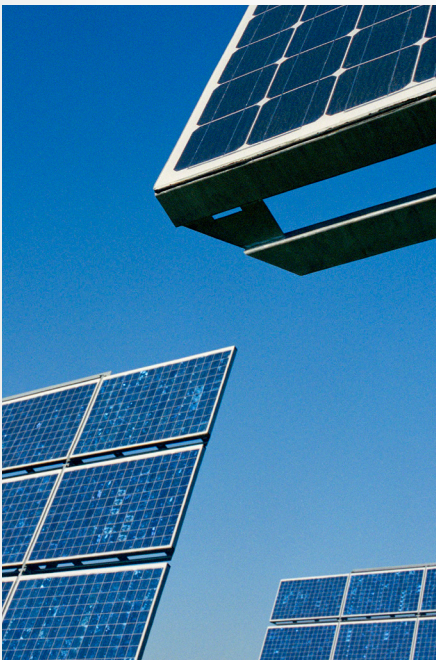
Over the last several quarters, we laid out plans to reduce the return on equity gap at our operating companies, and we are especially pleased with our progress this quarter. Recently signed legislation in Minnesota and Texas supplements our regulatory compact with new tools, supports our efforts as we continue to strengthen the system for our customers and improves our visibility on meeting our long-term earnings growth objectives.

Importantly, the new legislation brings a longer-term focus to regulation in Minnesota, similar to what we have already established in Colorado and North Dakota. Aligning the policies, business plans and rates in each of the states we serve is an important part of our strategy, and we took a big step forward this quarter.

In other good news, our Monticello nuclear plant has received final approval from the Nuclear Regulatory Commission and is operating at full capacity. In Colorado, our Cherokee combined-cycle plant completed its first fire. The project is on budget and on time.

Two recent events also illustrate our ongoing focus on customers and the environment. We are excited about work currently under way by the Clean Energy Partnership, a group that includes Xcel Energy, CenterPoint Energy and the city of Minneapolis to help the city reach its climate action plan goals. The Partnership, a first-of-its-kind city-utility collaboration released its first work plan designed to increase energy efficiency and renewable energy to lower energy costs and greenhouse gas emissions, while making energy more affordable and reliable for everyone.

In Wisconsin, we will begin offering subscriptions to the largest community solar program in the state. Our Solar*Connect Community program enables customers to purchase solar energy through us from local community solar



A new program in Wisconsin enables customers to purchase solar energy from community solar arrays.

Important information for shareholders

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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**.

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arrays in our service area in western and northern Wisconsin. With more customers increasingly interested in solar power, the program gives all of our customers an option to access locally sourced solar using the most advanced and efficient technologies available.

As we go forward in the second half of 2015 you can rest assured that our focus on customers and on building value for you will remain strong.

Sincerely,



Ben Fowke
Chairman, President and CEO

Successful annual meeting convenes in Sioux Falls

Xcel Energy held its 2015 annual shareholder meeting in Sioux Falls, S.D., which gave company executives and other employees an opportunity to meet shareholders they might not otherwise meet and visit a community that is vitally important to the company's success.

The business portion of the meeting included a vote on five proposals. Four of the proposals were approved by a quorum of shareholders:

- election of 11 directors to one-year terms;
- approval, on an advisory basis, of executive compensation;
- approval of the 2015 omnibus incentive plan; and
- ratification of the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2015.

A fifth proposal, which was a shareholder proposal, sought to separate the role of chairman and chief executive officer. That proposal was not approved.

Please visit the Investors page on xcelenergy.com to view this and other shareholder communication.

