

Letter to shareholders

October 2015

Dear shareholders:

We are pleased to tell you that Xcel Energy's third quarter 2015 earnings were 84 cents per share, compared with 73 cents per share in third quarter 2014. Improved electric margin, largely due to new rates and higher rider revenues driven by infrastructure investment, was a significant factor in the increase. Favorable weather also played a role.

With nine months of the year completed, we are very confident in our ability to achieve our 2015 ongoing earnings guidance—for the 11th straight year—and are narrowing the range to \$2.05 to \$2.15 per share. We also are initiating 2016 ongoing earnings guidance of \$2.12 to \$2.27 per share, which is consistent with our long-term earnings per share growth objective of 4 percent to 6 percent.

Third quarter and year-to-date results demonstrate the ongoing success of executing our regulatory initiatives, along with continued cost management efforts.

During the quarter, the Environmental Protection Agency issued the final Clean Power Plan. Although the regulations are groundbreaking and complex, we are well positioned to meet the requirements and remain committed to delivering the

clean energy options our customers want, while maintaining safety and reliability and keeping costs affordable.

Specifically, in Minnesota, we recently filed a revised resource plan that will enable us to adapt to and embrace the rapid pace of change in our industry. Our proposal drives a 60 percent reduction in carbon emissions from 2005 levels by 2030 and will result in 63 percent of NSP's system energy being carbon free by 2030.

In addition to supporting our effort to establish a long-term regulatory compact, this proposal will advance our shift to renewable energy, add cleaner natural gas-powered generation to our system and allow us to protect reliability, jobs and community investments.

We also were pleased during third quarter to welcome James Prokopanko to our board of directors. Jim most recently served as president and chief executive officer of Mosaic Co. He retired this year after nine years with the company and



Day of Service

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remains on Mosaic's board. A 35-year veteran of the agriculture industry, he held leadership roles with Cargill Inc., including work in international operations. He also is active in the community.

We are fortunate to have Jim join the board and look forward to his contributions. His leadership and financial experience, as well as his experience in energy, regulatory and safety issues, will serve us well.

Finally, I was truly honored this month to accept a Responsible CEO of the Year Award from Corporate Responsibility magazine. The magazine recognized our efforts to recruit, hire and retain military veterans. This has been a particular interest of mine because I believe veterans bring outstanding technical and leadership skills to the workplace, and it was gratifying to be recognized for that effort.

And speaking of corporate responsibility, we are winding down our United Way campaign, with the goal of raising \$2.6 million for our communities that the company will match dollar for dollar. We also held a very successful Day of Service event in September in which hundreds of Xcel Energy employees, along with their families and friends, volunteered for various nonprofit organizations. It was an outstanding illustration of employee commitment that made all of us proud to work for Xcel Energy. We plan to finish the year with the same spirit and commitment.

Sincerely,



Ben Fowke
Chairman, President and CEO

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

