

Letter to shareholders

January 2016

Dear shareholders:

Xcel Energy reported 2015 ongoing earnings of \$2.09 per share, compared to \$2.03 per share in 2014. Rate increases, non-fuel riders and strong expense management contributed favorably to those results, offset by the impact of negative weather, as well as higher depreciation, property taxes, interest charges and lower allowance for funds used for construction.



We executed our strategic plan and finished another solid year: 2015 was the 11th consecutive year Xcel Energy has met or exceeded its earnings guidance and the 12th consecutive year that we have increased our dividend. In addition to the dividend increase of 6.7 percent, we maintained our strong credit ratings and delivered a 3.8 percent total return in 2015, outperforming most utilities.

From a regulatory standpoint, our new, multi-year electric rate plan in Colorado will provide greater rate certainty for the future. In November, we filed a thoughtful, multi-year electric plan to provide rate certainty for our Minnesota customers. In December, the commission approved our 2016 interim rate request of approximately \$164 million and will continue to review the plan in 2016. We also resolved rate cases in South Dakota, Wisconsin and Texas and are pleased with new legislation passed in Minnesota and Texas that will provide additional tools to reduce regulatory lag.

The Edison Electric Institute awarded Xcel Energy its Emergency Recovery Award for our storm response to the severe weather that disrupted power to 250,000 Minnesota customers in July. Our team of 750 employees and contractors safely restored power to all customers within two days.

Our storm response and recovery continues to lead the industry. December saw a major winter storm across parts of Texas and New Mexico, with sustained winds between 50-80 mph, below-zero wind chill, white-out conditions and inaccessible roads. Even with these challenging conditions, we restored service to 84 percent of our customers within 12 hours and 98 percent of our customers within 24 hours. In addition, the Edison Electric Institute recently recognized Xcel Energy with the Emergency Recovery Award for its response to severe weather in Minnesota that affected 250,000 customers last summer. Moments like these matter for our customers, and we work hard to deliver.

We also achieved record levels of safety across the company—2015 was our eighth consecutive “best year ever” for employee safety. This is a critical priority for the company, and I’m proud of the work our employees are doing to ensure we all go home safely every day.

Important information for shareholders

Wells Fargo shareowner services features online account management through ShareOwner Online. Shareowner Online is the convenient and secure way to manage your account. Enroll in the Direct Stock Purchase Plan, update your account, purchase or sell stock, get tax information and forms, review and print your record of transactions and much more, quickly and conveniently. Begin by visiting shareowneronline.com.

The 2015 1099-DIV forms began mailing to shareholders on Jan. 19, 2016. Contact Wells Fargo at **1-877-778-6786** if you do not receive your 2015 tax forms by Feb. 12, 2016. 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.

In an effort to provide cleaner energy solutions for our customers, we are investing in new wind and solar projects to provide a diversified energy portfolio mix and a platform for future growth. Construction is under way for our new 200 MW Courtenay wind project in North Dakota. We expect the wind farm to begin serving customers by the end of 2016, ahead of schedule and on budget.

Given our long track record of delivering steady growth and consistent performance, we are reaffirming our 2016 ongoing earnings guidance of \$2.12 to \$2.27 per share.

Finally, we are proud to share that we concluded the year with a record-breaking United Way campaign. Because of the generous support of Xcel Energy employees and retirees, our local communities will benefit from more than \$5.6 million in donations and company match contributions.

We look forward to another successful year and appreciate the trust you place in us.

Sincerely,



Ben Fowke
Chairman, President and CEO

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

