



Third Quarter 2016 Earnings Release Presentation

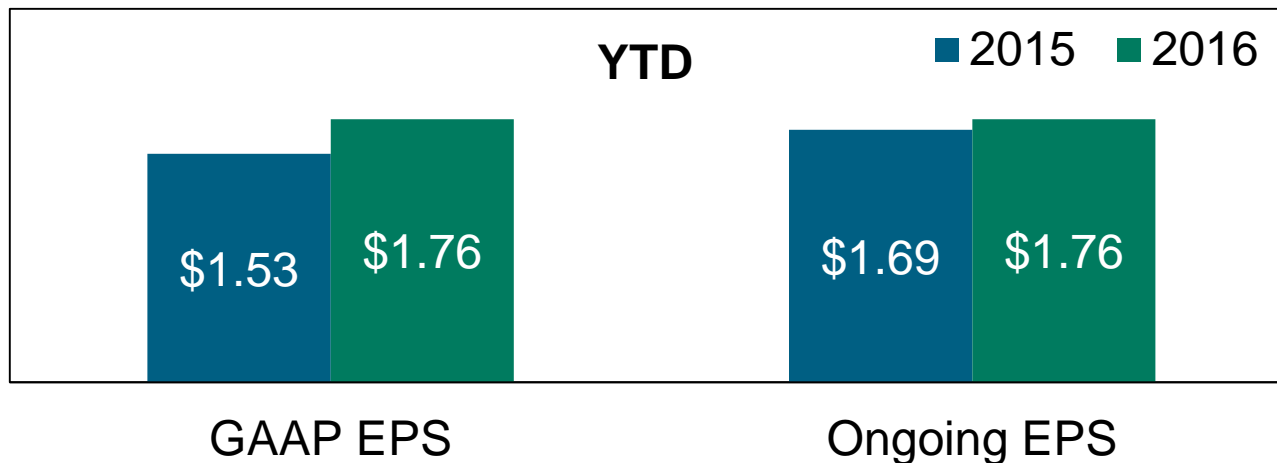
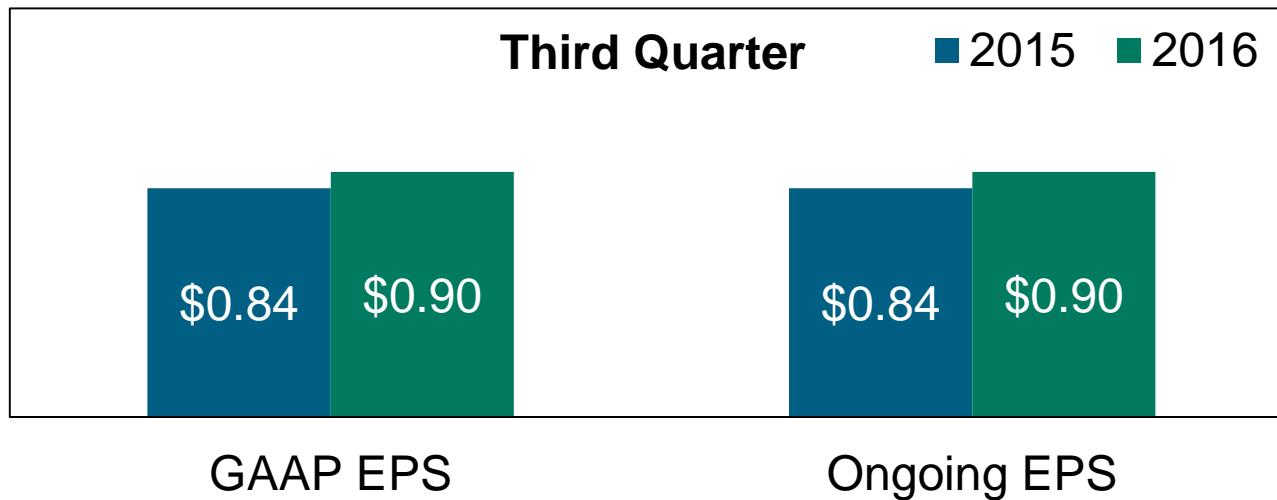
October 27, 2016



Safe Harbor

Except for the historical statements contained in this presentation, the matters discussed herein, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including our 2016 and 2017 earnings per share guidance and assumptions, are intended to be identified in this document by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2015, Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries (collectively, Xcel Energy) to obtain financing on favorable terms; business conditions in the energy industry; including the risk of a slow down in the U.S. economy or delay in growth, recovery, trade, fiscal, taxation and environmental policies in areas where Xcel Energy has a financial interest; customer business conditions; actions of credit rating agencies; competitive factors including the extent and timing of the entry of additional competition in the markets served by Xcel Energy; unusual weather; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rates or have an impact on asset operation or ownership or impose environmental compliance conditions; structures that affect the speed and degree to which competition enters the electric and natural gas markets; costs and other effects of legal and administrative proceedings, settlements, investigations and claims; financial or regulatory accounting policies imposed by regulatory bodies; availability of cost of capital; and employee work force factors. See note 6 in our 2016 third quarter earnings release for more information about our use of non-GAAP numbers and a reconciliation of ongoing earnings to GAAP earnings.

EPS Results



YTD 2015 ongoing earnings exclude a charge of \$0.16 per share, related to the Monticello life cycle management/extended power uprate project

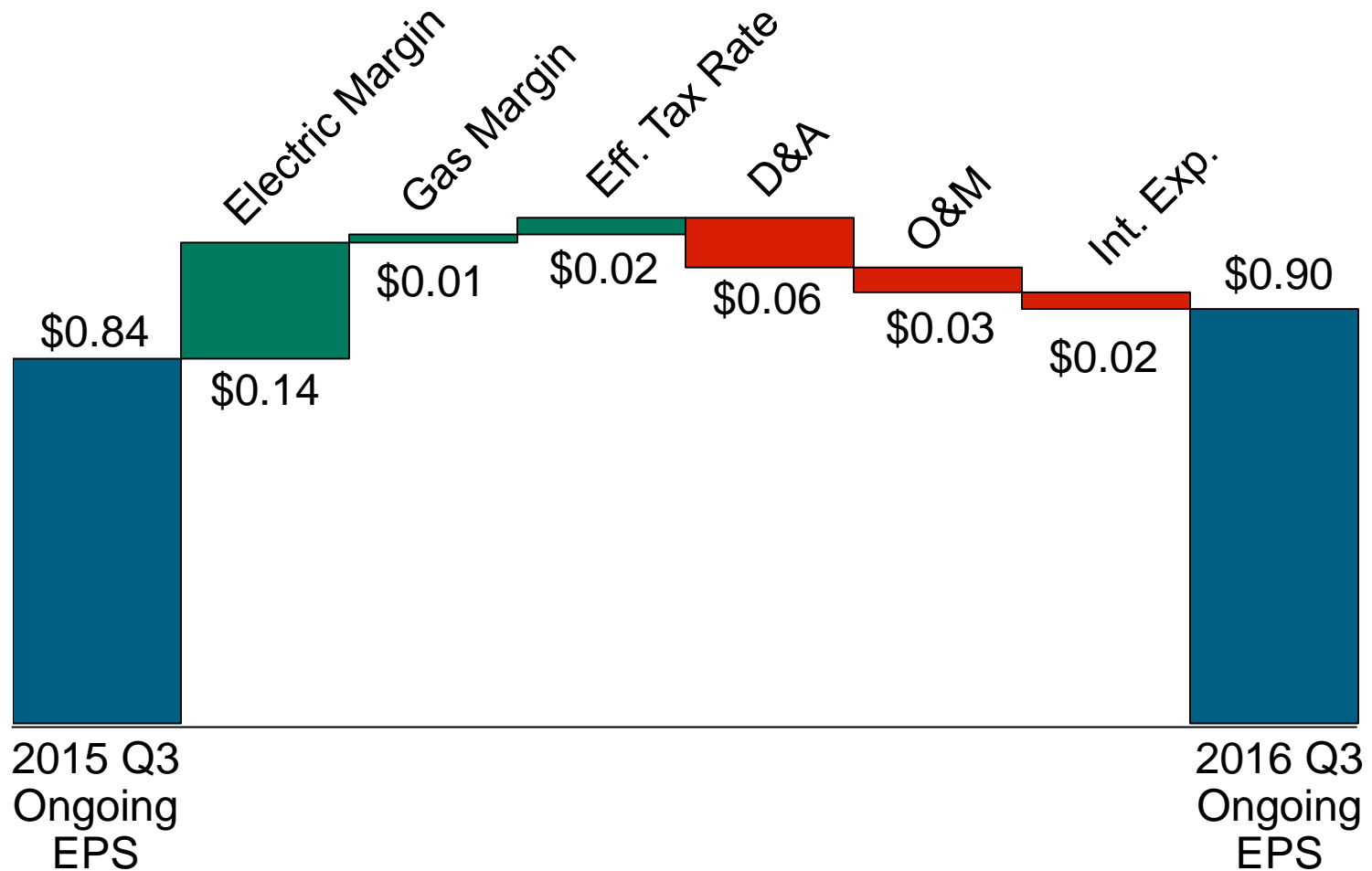
EPS Results by Operating Company

	Third Quarter		YTD	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
PSCo	\$ 0.34	\$ 0.34	\$ 0.74	\$ 0.75
NSPM	0.41	0.35	0.74	0.65
SPS	0.13	0.12	0.24	0.21
NSPW	0.05	0.05	0.11	0.13
Equity earnings	0.01	0.01	0.04	0.03
Regulated utility	0.94	0.87	1.87	1.77
Holding company and other	(0.04)	(0.03)	(0.11)	(0.08)
Total ongoing diluted EPS	\$ 0.90	\$ 0.84	\$ 1.76	\$ 1.69
Loss on Monticello LCM/EPU project	-	-	-	(0.16)
Total GAAP diluted EPS	\$ 0.90	\$ 0.84	\$ 1.76	\$ 1.53

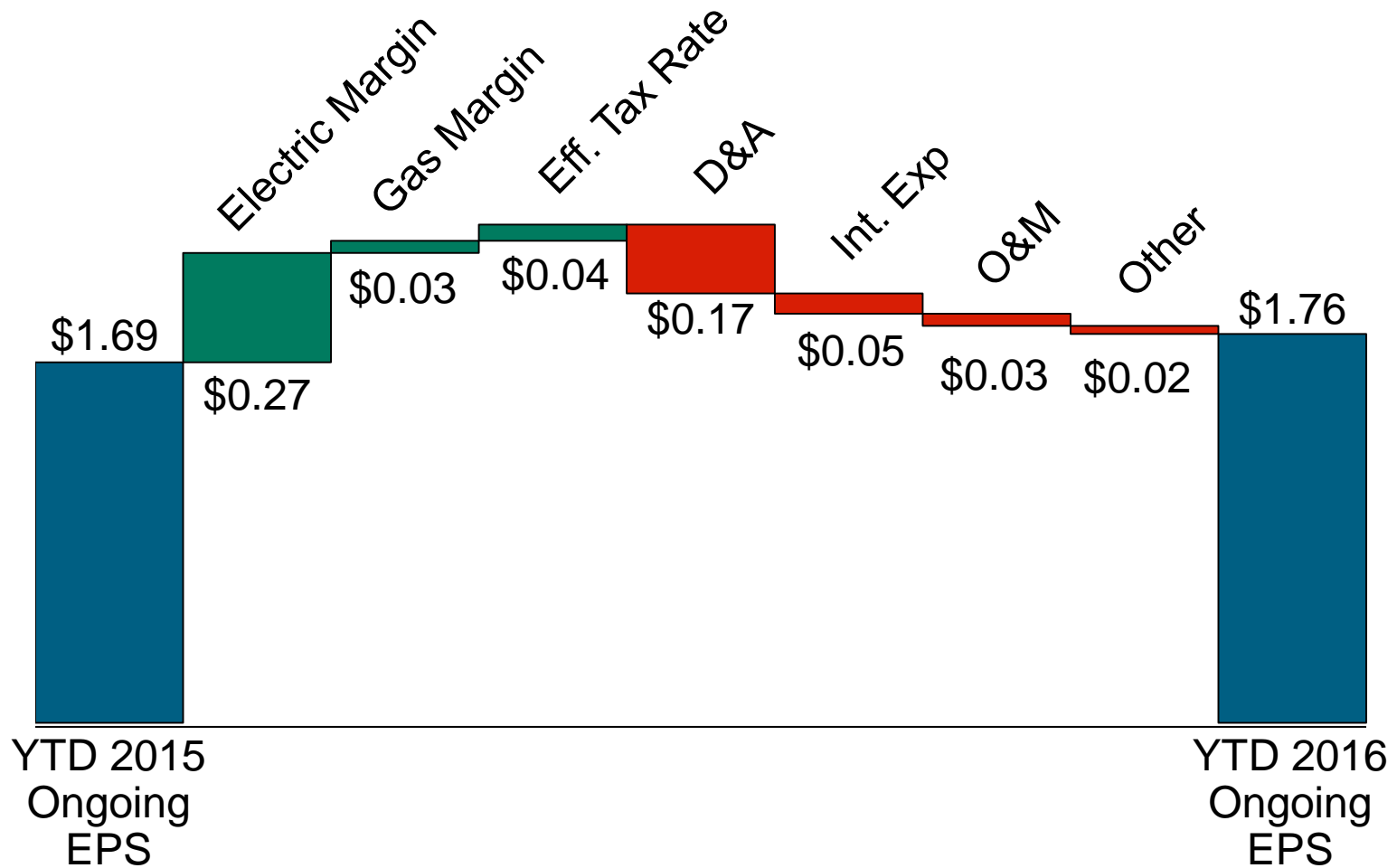
2016 YTD Highlights

- Narrowed 2016 ongoing EPS guidance to \$2.17 to \$2.22 from \$2.12 to \$2.27
- Introduced 2017 ongoing EPS guidance of \$2.25 to \$2.35
- Introduced a 2017-2021 capital forecast with rate base growth of 5.4%
- Rush Creek 600 MW wind project approved
- Minnesota resource plan (reduces CO₂ 60% by 2030) approved
- Proposed 750 MW of self-build wind projects in MN & ND
- Filed resource plan, decoupling & advanced distribution proposals in Colorado
- Reached a four-year settlement in the Minnesota rate case
- Reached settlement in principal in the Texas rate case
- New Mexico rate case settlement approved
- Wisconsin rate case approved
- Named #1 utility wind provider by AWEA for 12th consecutive year
- Increased dividend 6.3%

Quarterly Ongoing EPS Change

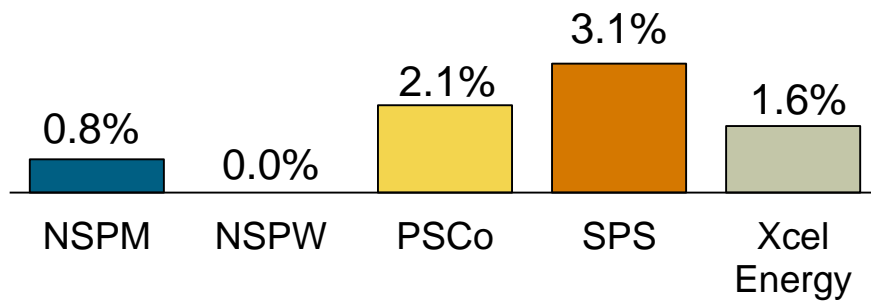


YTD Ongoing EPS Change

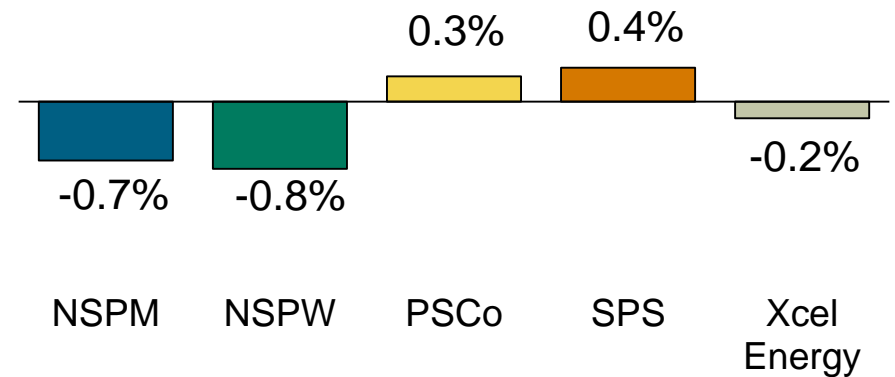


Economic, Sales, and Customer Data

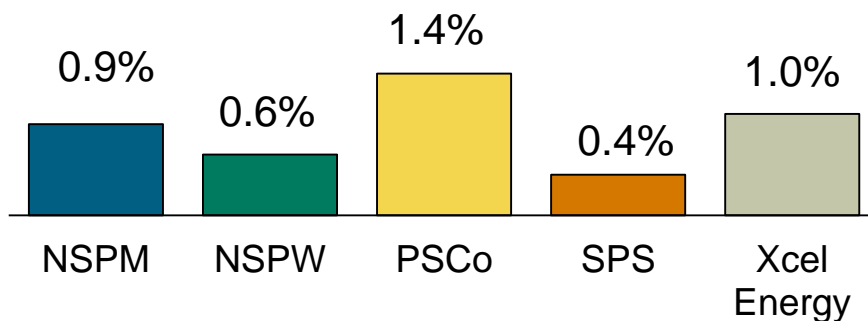
2016 Q3 W/A Electric Sales Growth



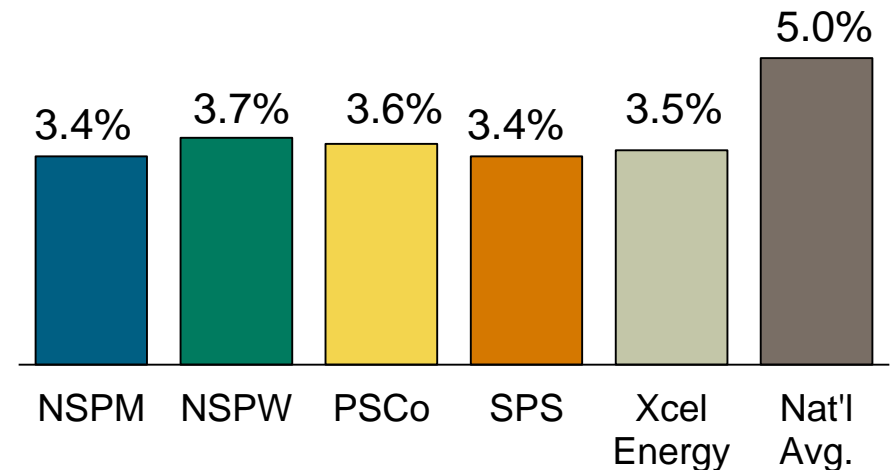
2016 YTD W/A Electric Sales Growth (excluding leap day)



2016 Q3 YoY Electric Customer Growth



September Unemployment



Minnesota Multi-Year Settlement

Dollars in Millions, Incremental	2016	2017	2018	2019	Total
Settlement Revenue	\$75.0	\$59.9	\$0	\$50.1	\$185.0
NSP-Minnesota sales forecast	<u>37.4</u>				<u>37.4</u>
Total rate impact	\$112.4	\$59.9	\$0	\$50.1	\$222.4

- In August 2016, a settlement was reached, resolving all revenue issues
- Total \$185 million increase over four years, based on DOC sales forecast
- Includes a sales true-up for all classes, for all years with a 3% cap
- Reflects an ROE of 9.2% and an equity ratio of 52.5%
- Continued use of all existing riders, but no new riders during MYP
- Nuclear costs in the rate case will not be considered provisional
- Four-year stay-out provision
- Property tax true-up for 2017-2019
- Capital investment true-up for 2016-2019
- Settlement requires Minnesota Commission approval

Wisconsin Electric & Natural Gas Rate Case

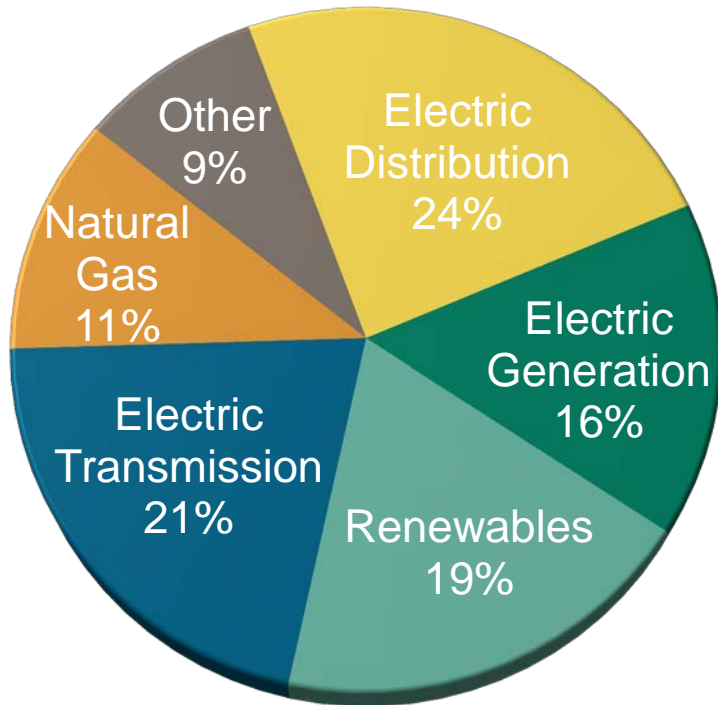
- Seeking a revised 2017 electric rate increase of \$29.9 million and a natural gas rate increase of \$4.8 million
 - Limited scope
 - Based on a 2017 forecast test year
 - No change to ROE of 10.0% and equity ratio of 52.49%
 - Electric rate base of \$1.2 billion
- In October 2016, the PSCW verbally approved an electric rate increase of \$22.5 million and a natural gas rate increase of \$4.8 million
- Final rates effective January 1, 2017

Texas Electric Rate Case

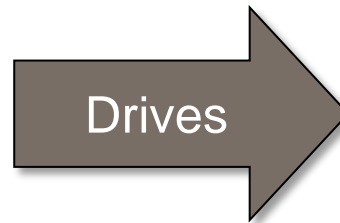
- SPS filed a Texas electric rate case for 2016
 - Revised base rate increase request of ~\$61.5 million
 - Requested ROE of 10.25% and equity ratio of 53.97%
 - Rate base of ~\$1.7 billion
 - Based on September 2015 historic test year adjusted for known and measurable changes
- In August, PUCT Staff recommended an electric rate increase of ~\$33 million, based on an ROE of 9.3% and equity ratio of 51%
- Settlement in principal reached, pending final documentation
- Texas Commission decision expected by end of 2016 or in first quarter 2017
- Final rates will be effective retroactive to July 20, 2016

Investing in Infrastructure

2017-2021
Capital Expenditures



\$18.4 Billion

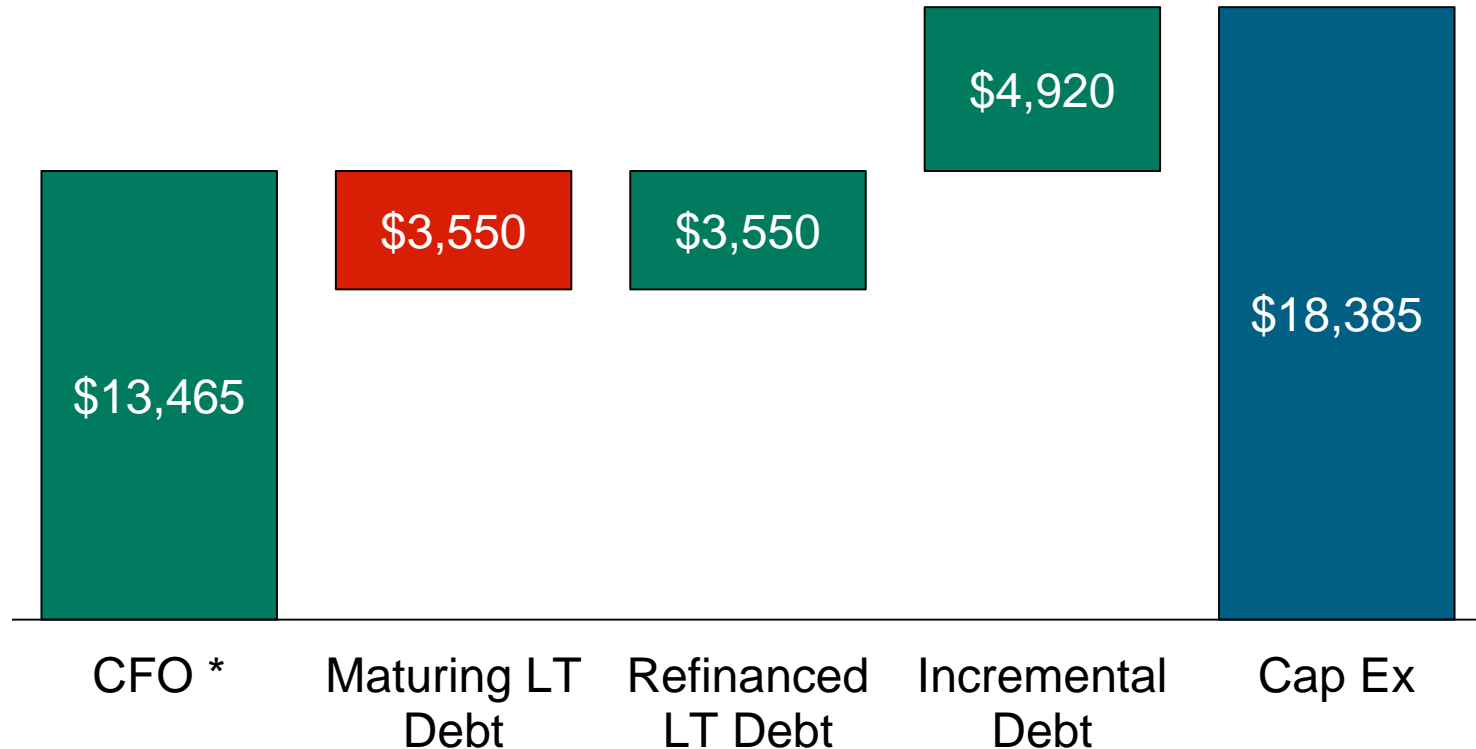


≈ 5.4%
Rate Base CAGR
2015-2021

Funding Capital Expenditures 2017-2021

** No equity expected during five-year plan **

\$ in millions



* Cash from operations is net of dividend and pension funding; financing plans are subject to change

2016 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$2.17 – \$2.22

	Key Assumption Changes	
Earnings Driver	<i>Previous</i>	Current
W/A Electric Sales	<i>Decrease 0.5%</i>	Flat
Capital Rider Revenue	<i>Increase \$40-\$50 million</i>	Increase \$35-\$45 million
Depreciation Expense	<i>Increase \$200 million</i>	Increase \$185-\$195 million
Property Taxes	<i>Increase \$40-\$50 million</i>	Increase \$20-\$25 million
Interest Expense	<i>Increase \$40-\$50 million</i>	Increase \$50-\$60 million

	Sensitivities	
Earnings Driver	Sensitivity	EPS
Retail Electric Sales	100 bps	+/- \$0.05
O&M Expenses	100 bps	+/- \$0.03

Assumes a 35% ETR and 509 million shares outstanding

2017 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$2.25 – \$2.35

Earnings Driver	Key Assumptions
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather patterns for the year
W/A electric sales	Increase 0% - 0.5%
W/A natural gas sales	Increase 0% - 0.5%
Capital rider revenue	Increase \$65 million - \$75 million
O&M expenses	Flat
Depreciation expense	Increase ~\$160 million - \$170 million
Property taxes	Increase ~\$0 - \$10 million
Interest exp. (net of AFUDC-debt)	Increase \$5 million - \$15 million
AFUDC-equity	Increase ~\$10 million - \$20 million
Effective tax rate	~32% - 34%
Average common stock & equiv.	~509 million shares

Appendix

Capital Expenditures by Function

\$ in millions

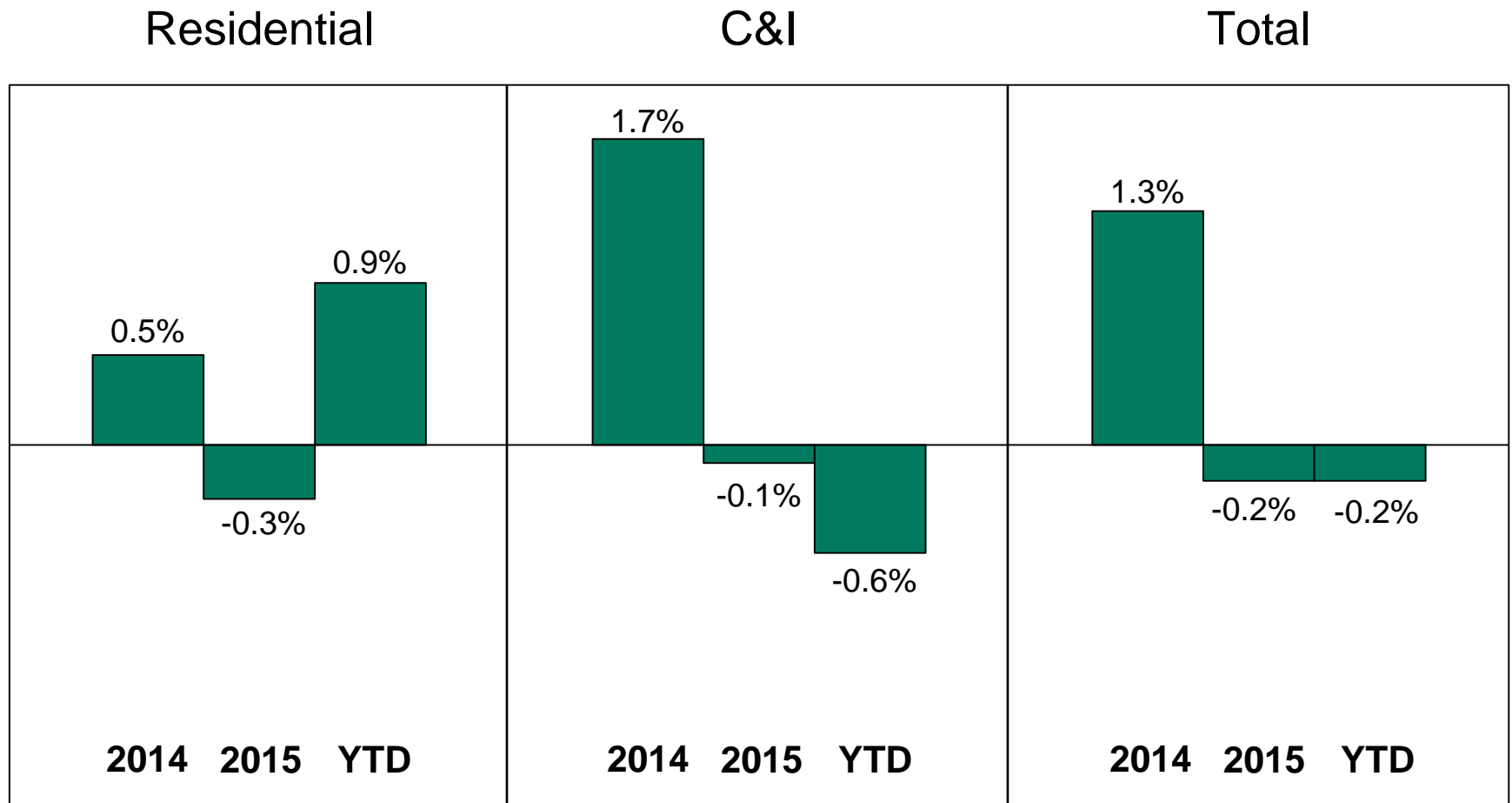
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Electric Distribution	\$760	\$865	\$950	\$905	\$955	\$4,435
Electric Generation	\$670	\$685	\$655	\$405	\$485	\$2,900
Renewables	\$610	\$555	\$915	\$925	\$500	\$3,505
Electric Transmission	\$795	\$840	\$750	\$690	\$805	\$3,880
Natural Gas	\$400	\$415	\$420	\$420	\$415	\$2,070
Other	\$420	\$340	\$265	\$280	\$290	\$1,595
Total	\$3,655	\$3,700	\$3,955	\$3,625	\$3,450	\$18,385

Capital Expenditures by Company

\$ in millions

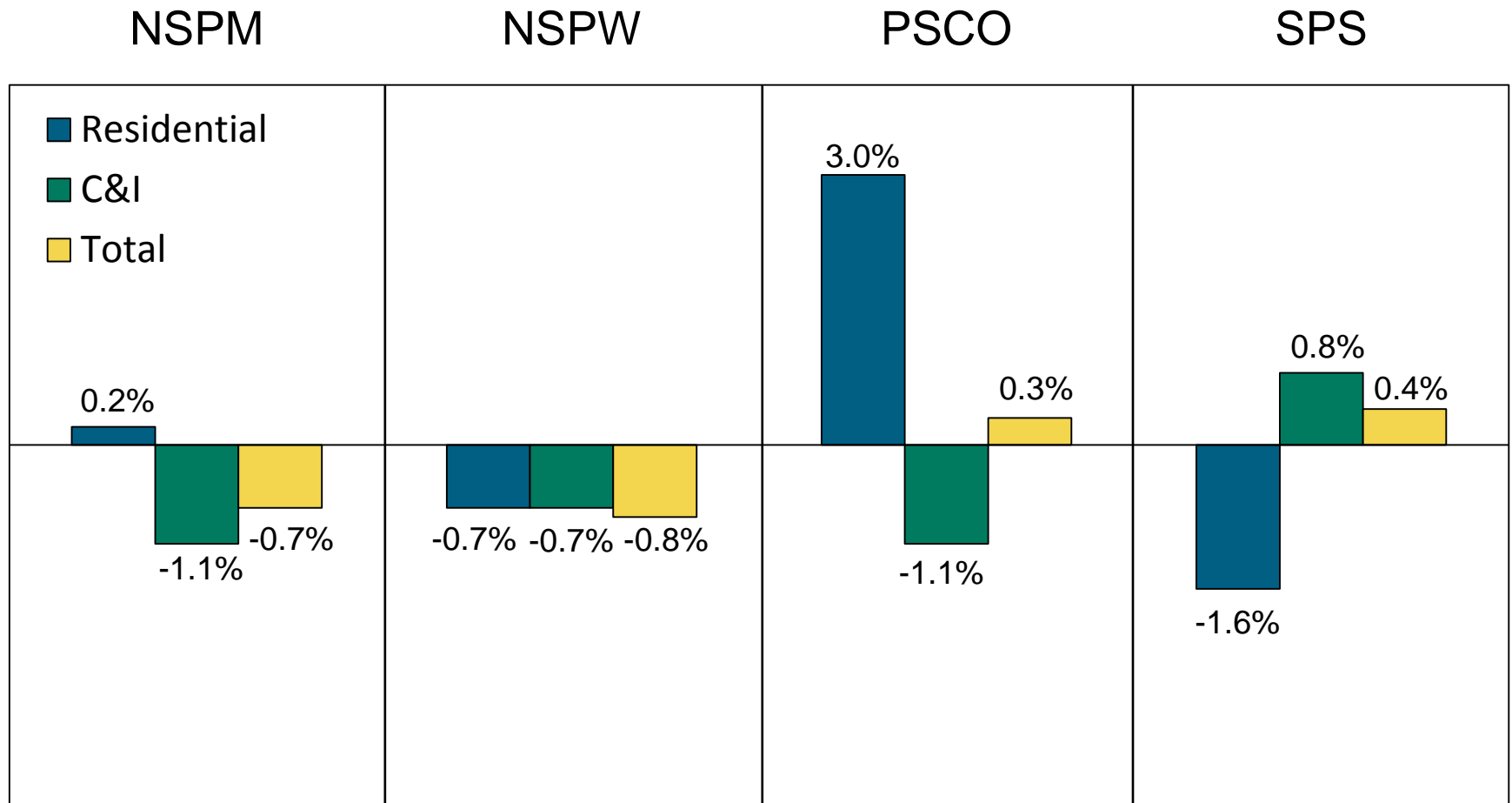
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
NSPM	\$1,195	\$1,170	\$1,515	\$1,405	\$1,220	\$6,505
PSCO	\$1,590	\$1,670	\$1,190	\$1,030	\$980	\$6,460
SPS	\$610	\$570	\$490	\$400	\$450	\$2,520
NSPW	\$250	\$280	\$250	\$280	\$300	\$1,360
Other	\$10	\$10	\$510	\$510	\$500	\$1,540
Total	\$3,655	\$3,700	\$3,955	\$3,625	\$3,450	\$18,385

Xcel Energy W/A Electric Sales Growth



2016 YTD figures exclude an extra day of sales for leap year

2016 YTD W/A Electric Sales Growth



2016 YTD figures exclude an extra day of sales for leap year

Regulatory & Authorized ROEs – 2015

OpCo	Jurisdiction	Rate Base (\$ millions)	Authorized ROE	W/A Earned ROE	Regulatory Plan
NSPM	MN Electric	\$7,742	9.72%	8.93%	2016-2019 Settlement
	MN Natural Gas	471	10.09	9.71	
	ND Electric	515	10.00	8.38	2013-2017 MYP
	ND Natural Gas	50	10.75	8.87	
	SD Electric	541	Blackbox	6.21	2015-2017 MYP
PSCo	CO Electric	6,520	9.83	9.96*	2015-2017 MYP
	CO Natural Gas	1,845	9.50	6.04	2015-2017 MYP
	PSCo Wholesale	620	***	***	
SPS	TX Electric	1,662	9.70	7.43**	2016 Rate Case Settled
	NM Electric	711	9.96	5.69**	New Mexico 2016 case
	SPS Wholesale	857	****	****	
NSPW	WI Electric	1,034	10.20	10.64	2017 Rate Case
	WI Natural Gas	96	10.20	6.82	2017 Rate Case
	MI Electric & Nat. Gas	29	10.10(e); 10.20(g)	7.51	

* Prior to customer refunds based on earnings test. PSCo earned 9.90% after customer refunds.

** Actual ROE, not weather-normalized.

*** The authorized ROE for PSCo transmission & production formula = 9.72%.

**** The transmission ROE = 10.5% and production formula ROE = 10.0%.

Operating Company ROE Sensitivities

Sensitivity to 100 bps change in ROE

OpCo	Jurisdiction	Rate Base (\$ millions)	Revenue Requirement (\$ millions)	EPS
NSPM	MN Electric	\$7,742	\$63	+/- \$0.080
	MN Natural Gas	471	\$4	+/- \$0.005
	ND Electric	515	\$4	+/- \$0.005
	ND Natural Gas	50	\$0	+/- \$0.001
	SD Electric	541	\$4	+/- \$0.006
PSCo	CO Electric	6,520	\$56	+/- \$0.072
	CO Natural Gas	1,845	\$16	+/- \$0.020
SPS	TX Electric	1,662	\$13	+/- \$0.017
	NM Electric	711	\$6	+/- \$0.008
NSPW	WI Electric	1,034	\$8	+/- \$0.011
	WI Natural Gas	96	\$1	+/- \$0.001

Assumes authorized equity ratio, a 35% ETR, and 509 million shares outstanding
Rate base figures obtained from our jurisdictional regulatory filings

Financing Plan for 2016

Issuer	Security	Amount (millions)	Timing	Tenor	Coupon
Hold Co	Senior Unsecured	\$400	Completed	5 Yr	2.40%
Hold Co	Senior Unsecured	\$350	Completed	9 Yr	3.30%
NSPM	First Mortgage Bonds	\$350	Completed	30 Yr	3.60%
PSCo	First Mortgage Bonds	\$250	Completed	30 Yr	3.55%
SPS	First Mortgage Bonds	\$300	Completed	30 Yr	3.40%
Hold Co	Senior Unsecured	\$800	Q4	N/A	N/A

* Financing plans are subject to change, depending on capital expenditures, internal cash generation, rating agency views, market conditions, and other factors

Financing Plan for 2017

Issuer	Security	Amount (millions)
Hold Co	Senior Unsecured	\$300
NSPM	First Mortgage Bonds	\$600
NSPW	First Mortgage Bonds	\$100
PSCo	First Mortgage Bonds	\$400
SPS	First Mortgage Bonds	\$150

* Financing plans are subject to change, depending on capital expenditures, internal cash generation, rating agency views, market conditions, and other factors