

The Path Forward

Barclays Kohler Conference

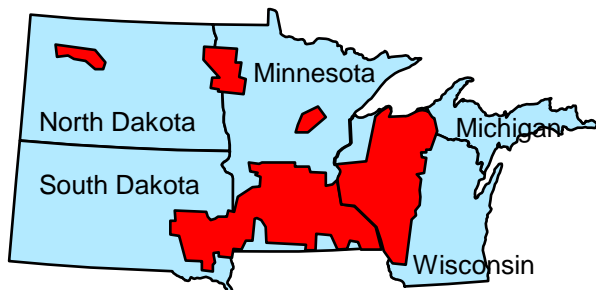
August 16-17, 2017



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 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, 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; outcomes of regulatory proceedings; availability or cost of capital; and employee work force factors. See note 6 in our 2016 year end earnings report for more information about our use of non-GAAP numbers and a reconciliation of ongoing earnings to GAAP earnings.

Investment Merits



- **Diversified, fully regulated utility**
- **Environmental leader**
 - Achieved 30% CO₂ reduction from 2005
 - On track for a 45% CO₂ reduction by 2021
- **Strong investment opportunities**
 - Cap ex forecast of \$18.4 Billion for 2017-21
 - Projected rate base growth of ~5.5%
 - Proposed to add 2,750 MW of owned wind generation
 - No equity needed to fund current capital forecast
- **Attractive total return**
 - EPS growth target of 4-6% annually
 - Dividend growth target of 5-7% annually
 - Dividend payout ratio target of 60-70%
 - Strong investment grade credit ratings

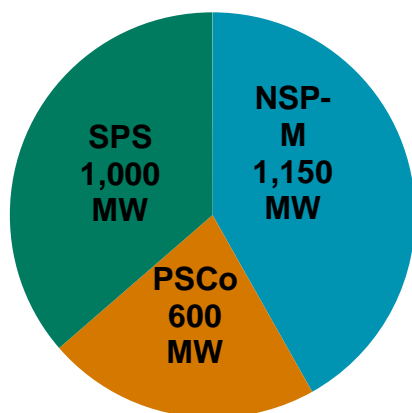
Steel for Fuel

Capital recovery costs offset by lower fuel and O&M costs and tax credits

- High wind capacity factors in our jurisdictions
- Supportive regulatory environment
- Production tax credit
- Economic, low-emission energy



2,750 MW of new wind ownership by 2021



PSCo and NSP-M wind proposals have been approved. SPS wind proposal is pending commission approval in Texas and New Mexico.

Biomass PPA termination/modification

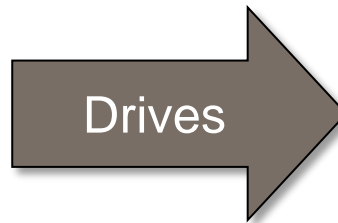
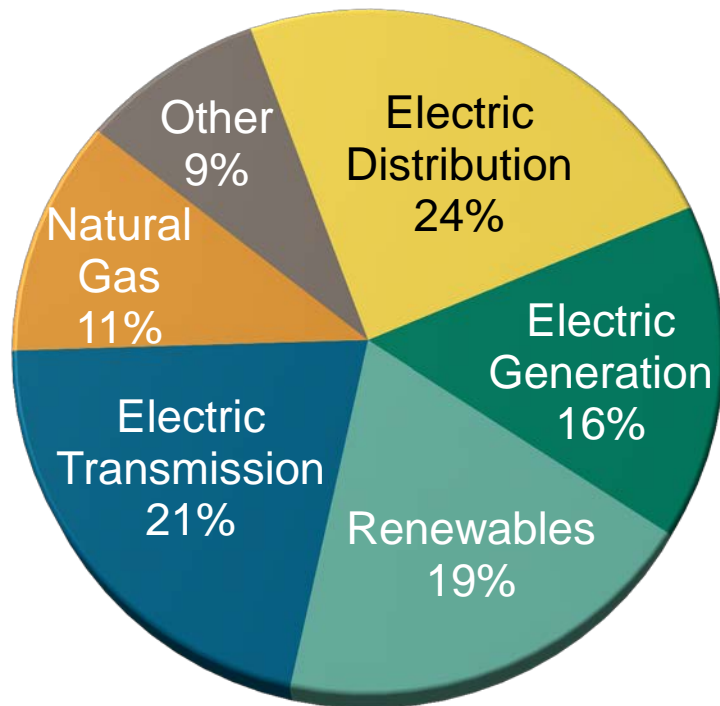
- Replacing expensive biomass PPAs at NSP-M
- Customer savings: ~\$650 million over next 10 years
- Investment of ~\$100 million
- Terminate three PPAs (102 MW); modify one PPA (34 MW)

Colorado Energy Future Plan

- In July 2017, the governor of Colorado issued an executive order to reduce greenhouse gas emissions
- Xcel Energy working with stakeholders on a potential plan
- Potential Steel for Fuel investment opportunity

Invest in Infrastructure

2017-2021
Capital Expenditures
\$18.4 Billion



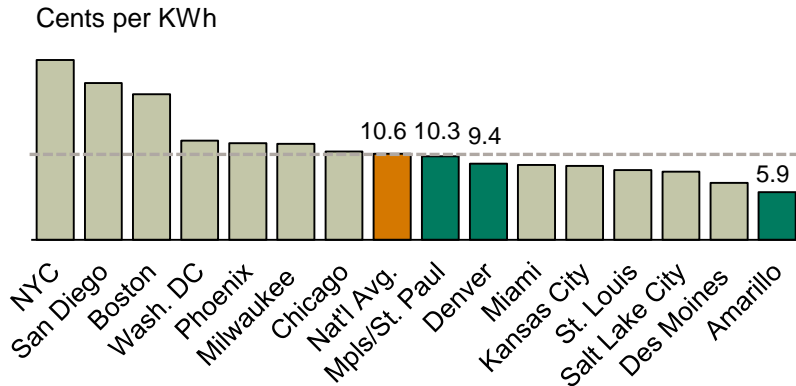
≈ 5.5%
Rate Base CAGR
2016-2021

The capital expenditure forecast reflects \$3.5 billion for renewable investment and has not been updated for the NSPM & SPS wind proposals filed in March 2017, which if approved would increase the total renewable investment to \$4.2 billion

Deliver Customer Value

Competitive Customer Rates

TTM Ended January 1, 2017



Source: Edison Electric Institute
Typical Bills and Average Rates Report Winter 2017

Delivering for the Environment

2005

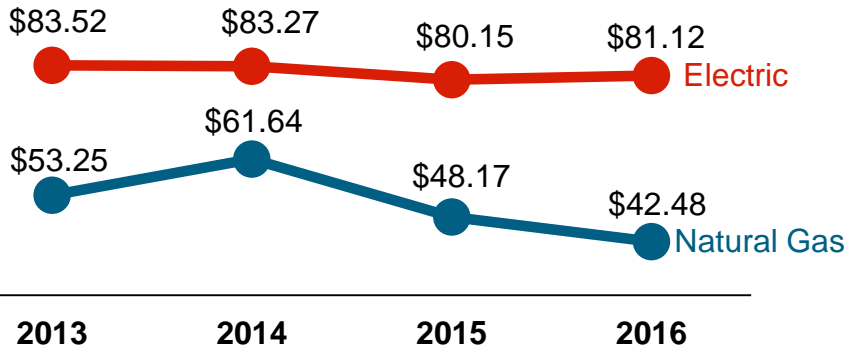
35% REDUCTION
28% REDUCTION
70% REDUCTION
73% REDUCTION
30% REDUCTION

Water Consumption Coal Ash Produced Sulfur Dioxide Emissions Nitrogen Oxide Emissions Carbon Emissions

2016

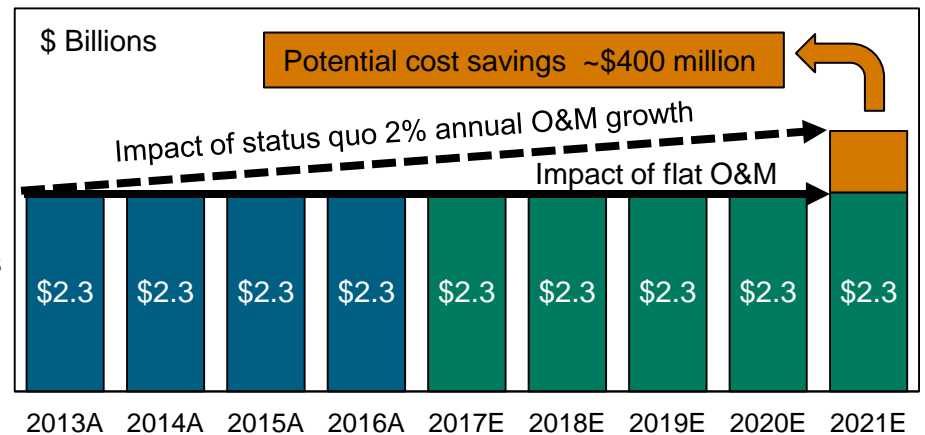
Carbon reduction of 45% projected by 2021, working towards a reduction target of 60% by 2030

Xcel Energy Declining Residential Bills



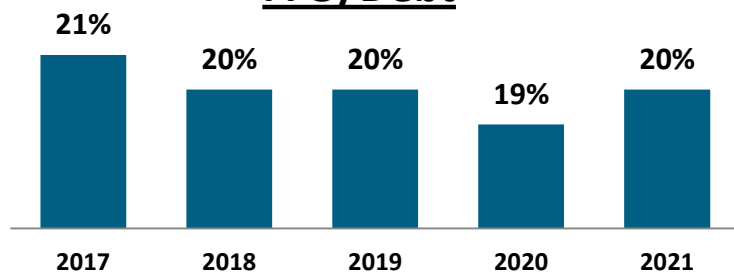
Source: SNL data for retail electric sales
Figures included are annual average of monthly bills

Potential O&M Cost Savings

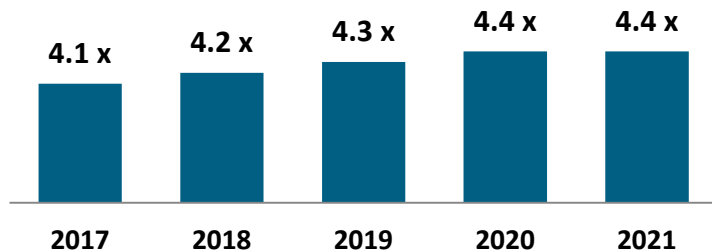


Strong Financial Profile

FFO/Debt

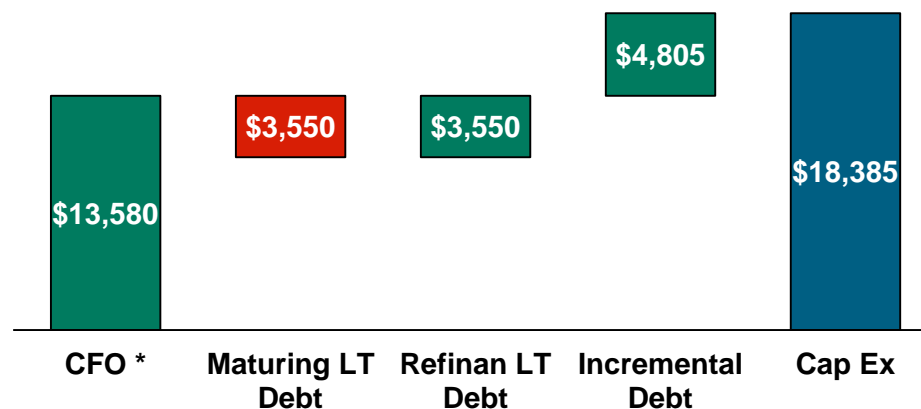


Debt/EBITDA



Credit metrics do not reflect rating agency adjustments

Financing Plans 2017-2021 – No Equity



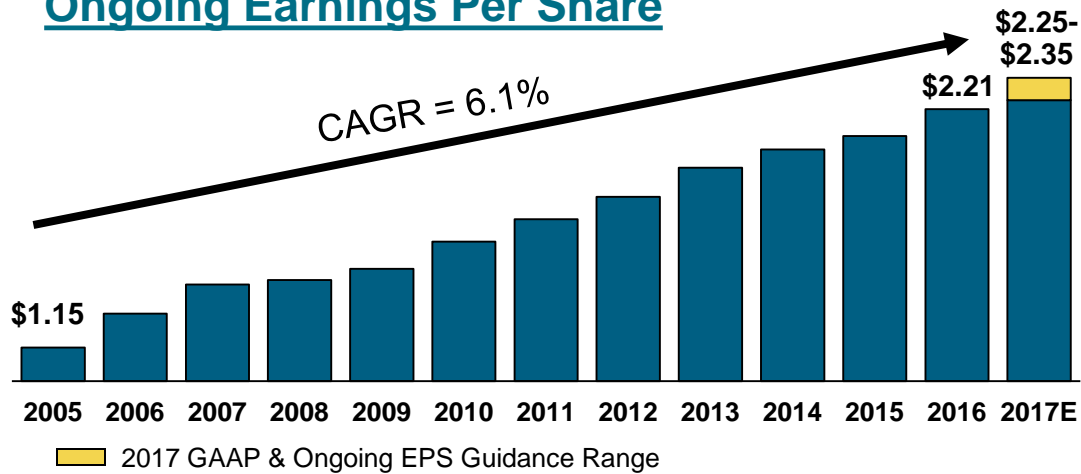
* Cash from operations is net of dividend and pension funding; financing plans are subject to change

	Moody's	S&P	Fitch
Xcel Energy Unsecured	A3	BBB+	BBB+
NSPM Secured	Aa3	A	A+
NSPW Secured	Aa3	A	A+
PSCo Secured	A1	A	A+
SPS Secured	A2	A	A-

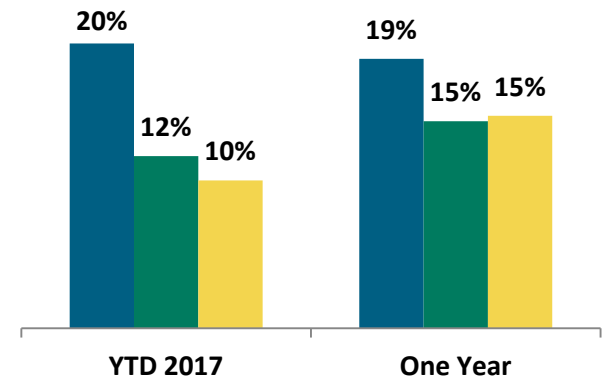
- Strong credit ratings and credit metrics
- No equity financing needs under current capital plan
- Manageable debt maturities

Proven Track Record

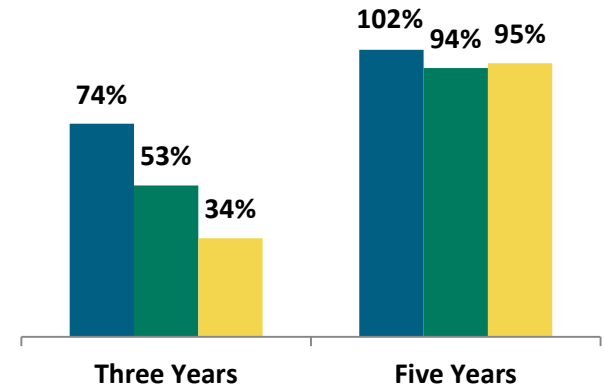
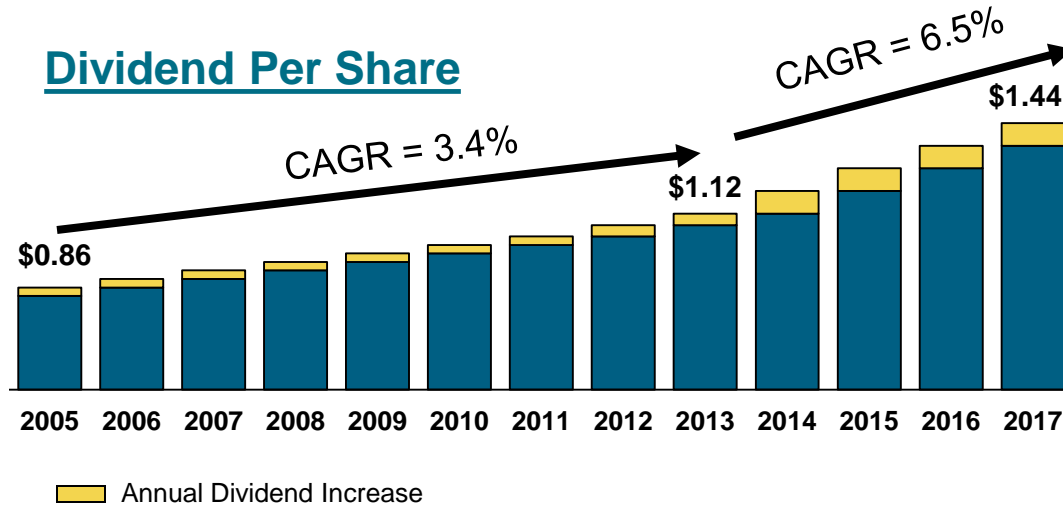
Ongoing Earnings Per Share



Total Shareholder Return



Dividend Per Share



■ Xcel Energy ■ EEI Index ■ S&P 500 Index

Appendix



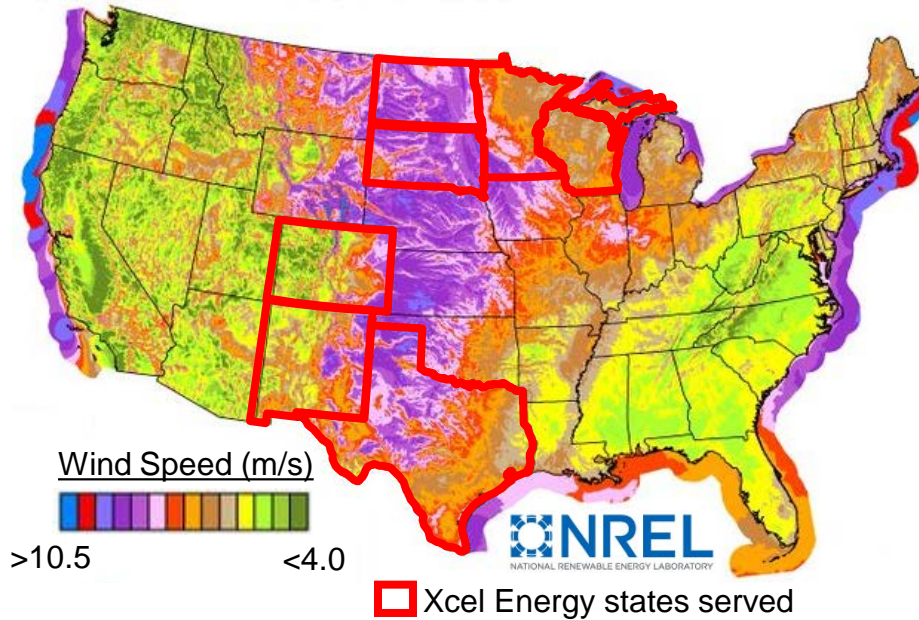
Reconciliation: Ongoing EPS to GAAP EPS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ongoing EPS	\$1.15	\$1.30	\$1.43	\$1.45	\$1.50	\$1.62	\$1.72	\$1.82	\$1.95	\$2.03	\$2.09	\$2.21
PSRI-COLI	0.05	0.05	(0.08)	0.01	(0.01)	(0.01)	-	-	-	-	-	-
Prescription Drug Tax Benefit	-	-	-	-	-	-	-	0.03	-	-	-	-
SPS FERC Order	-	-	-	-	-	-	-	-	(0.04)	-	-	-
Loss on Monticello LCM/EPU Project	___-	___-	___-	___-	___-	___-	___-	___-	___-	___-	(0.16)	___-
Cont. Ops	1.20	1.35	1.35	1.46	1.49	1.61	1.72	1.85	1.91	2.03	1.94	2.21
Discont. Ops	<u>0.03</u>	<u>0.01</u>	___-	___-	(0.01)	<u>0.01</u>	___-	___-	___-	___-	___-	___-
GAAP EPS	\$1.23	\$1.36	\$1.35	\$1.46	\$1.48	\$1.62	\$1.72	\$1.85	\$1.91	\$2.03	\$1.94	\$2.21
<i>Amounts may not sum due to rounding</i>												

Xcel Energy's management believes that ongoing earnings reflects management's performance in operating the company and provides a meaningful representation of the performance of Xcel Energy's core business. In addition, Xcel Energy's management uses ongoing earnings internally for financial planning and analysis, for reporting of results to the Board of Directors and when communicating its earnings outlook to analysts and investors.

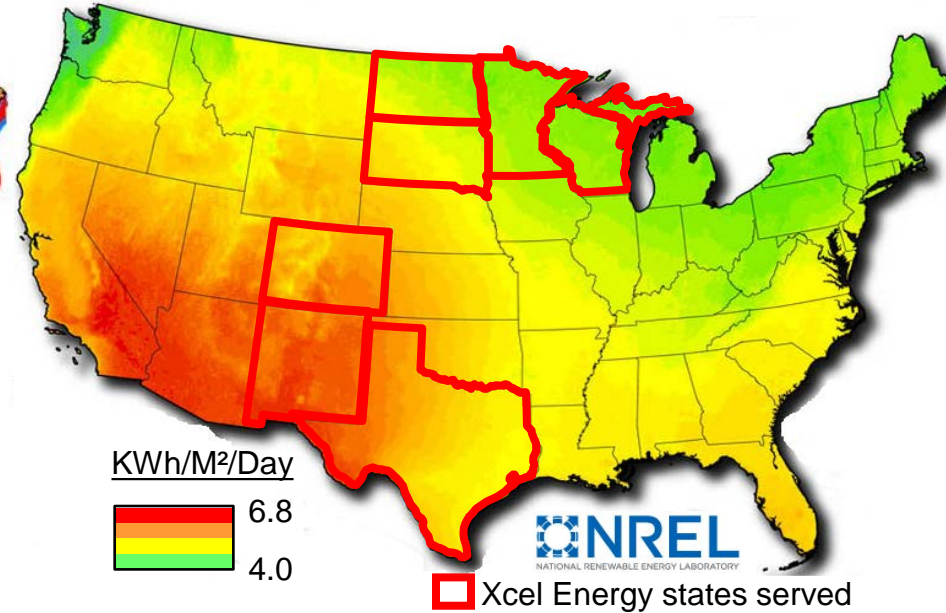
Advantaged Geography

Wind Resource – Annual Average Wind Speed
(at 100 meters)



This map was created by the National Renewable Energy Laboratory for the U.S. Department of Energy with data provided by AWS TruePower, but includes modifications by Xcel Energy.

Solar Resource – Photovoltaic



This map was created by the National Renewable Energy Laboratory for the U.S. Department of Energy, but includes modifications by Xcel Energy.

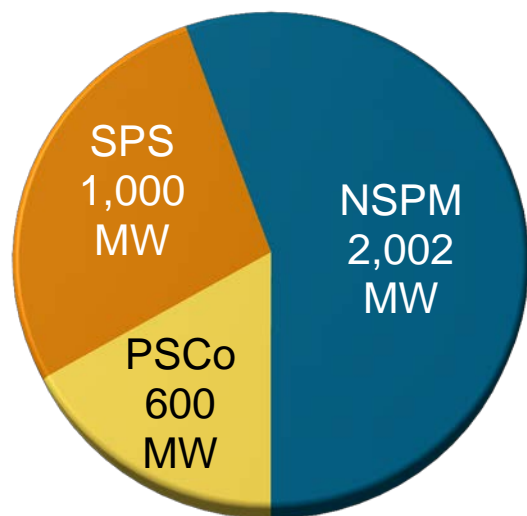
Wind	Capacity Factor
NSPM	~50%
PSCo	~45%
SPS	~50%

Large-scale Solar	Capacity Factor
NSPM	~22%
PSCo	~30%
SPS	~34%

Steel for Fuel

Cost effective renewables: Emission reductions with significant customer savings

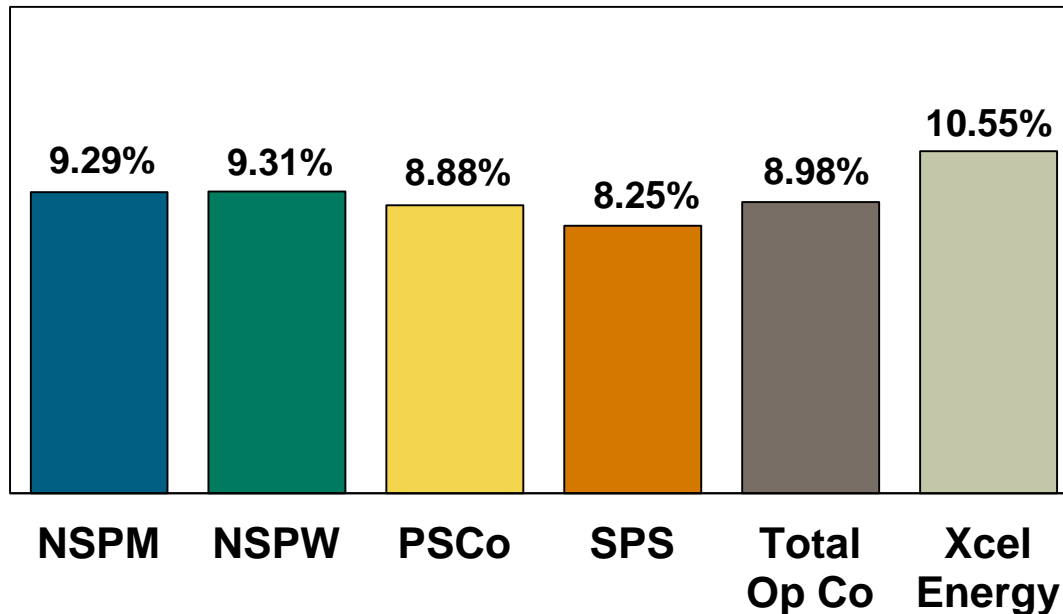
Owned Wind Capacity by Company by 2020



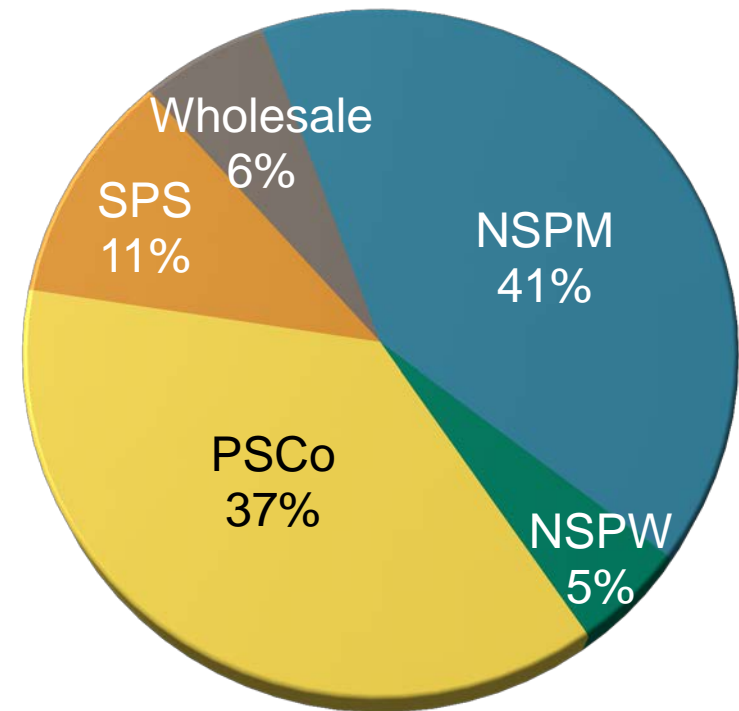
Project	Capacity	State	Estimated Completion	Regulatory Status
Rush Creek	600 MW	CO	2018	Approved
Freeborn	200 MW	MN	2020	Approved
Blazing Star 1	200 MW	MN	2019	Approved
Blazing Star 2	200 MW	MN	2020	Approved
Lake Benton	100 MW	MN	2019	Approved
Foxtail	150 MW	ND	2019	Approved
Crowned Ridge	300 MW	SD	2019	Approved
Hale	478 MW	TX	2019	Pending
Sagamore	<u>522 MW</u>	NM	2020	Pending
Total New Ownership	2,750 MW	Potential Cap Ex ~\$4.2 billion		
Existing Ownership	<u>852 MW</u>	NSP	In service	
Grand Total	3,602 MW	By 2020		

ROE Results – GAAP & Ongoing Earnings

**GAAP & Ongoing ROE
Twelve Months Ended 6/30/2017**



**2016 Rate Base
\$24.0 billion**



Regulatory vs. Authorized ROE – 2016

OpCo	Jurisdiction	Rate Base (\$ millions)	Authorized ROE	W/A Earned ROE	Regulatory Plan
NSPM	MN Electric	\$8,251	9.20%	9.35%	2016-2019 MYP
	MN Natural Gas	506	10.09	8.12	
	ND Electric	540	10.00	9.60	2013-2017 MYP
	ND Natural Gas	53	10.75	6.00	
	SD Electric	590	Blackbox	8.91	2015-2017 MYP
PSCo	CO Electric	6,927	9.83	9.22	2015-2017 MYP
	CO Natural Gas	1,939	9.50	6.47	2018-2020 MYP Filed
	PSCo Wholesale	532	*	*	
SPS	TX Electric	1,763	9.70	7.44**	Rate Filing Pending
	NM Electric	786	9.96	6.34**	Rate Filing Pending
	SPS Wholesale	868	***	***	
NSPW	WI Electric	1,118	10.00	9.27	2017 Rate Case Filed
	WI Natural Gas	108	10.00	5.62	2017 Rate Case Filed
	MI Elec. & Nat. Gas	31	10.10(e); 10.20(g)	7.07	

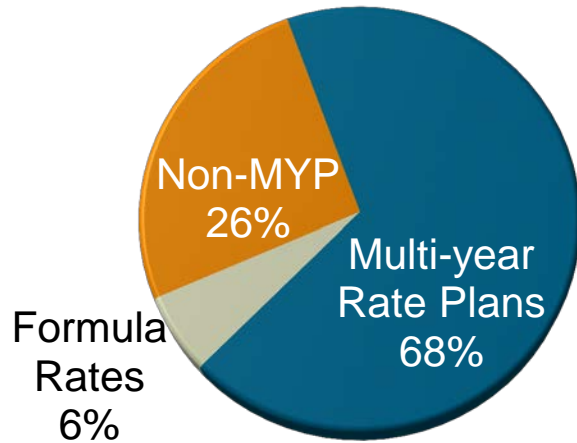
* The authorized ROE for PSCo transmission & production formula = 9.72%.

** Actual ROE, not weather-normalized.

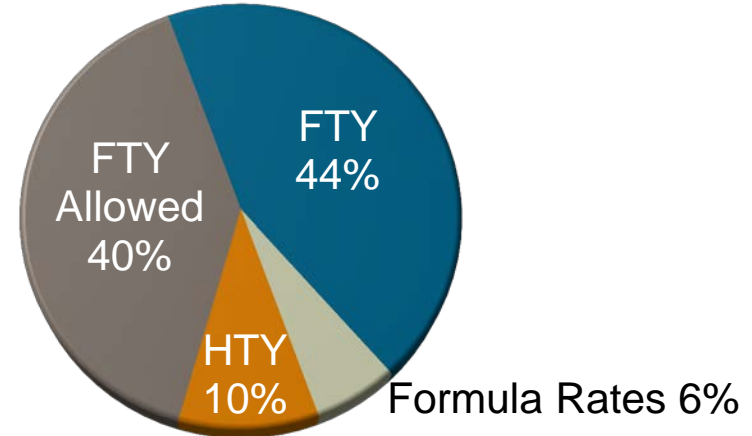
*** The transmission ROE = 10.50% and production formula ROE = 10.00%.

Improve the Regulatory Framework

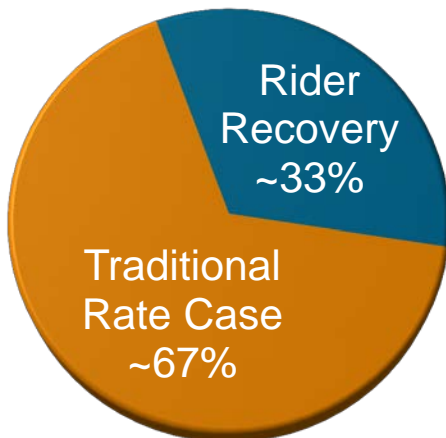
Rate Base Covered by MYP



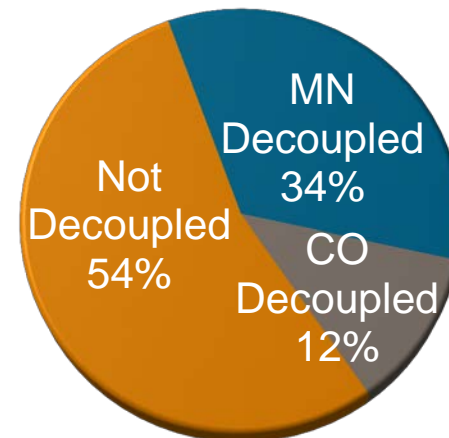
Rate Base Recovered Under Forward Test Year (FTY)



Cap Ex Eligible for Recovery by Rider



Retail Electric Sales Covered by Decoupling



Improve the Regulatory Framework

	NSPM	NSPW	PSCo	SPS
Multi-year rate plans	✓		✓	
Forward test year	✓ MN & ND	✓	Allowed	✓ NM
Interim rates	✓		Allowed	
Fuel recovery mechanism	✓	✓	✓	✓
Capacity recovery mechanism			✓	
Renewable rider	✓ MN & ND		✓	
Transmission rider	✓		✓	✓ TX
Distribution recovery mechanism	✓ MN		Proposed	✓ TX
Decoupling	✓ MN		Proposed	
Pension deferral mechanism	✓ MN		✓	✓
Property tax deferral / true-up	✓ MN		✓	

Colorado Multi-Year Natural Gas Rate Case

(\$ Millions)	2018	2019	2020	Total
New Revenue Request	\$63.2	\$32.9	\$42.9	\$139.0
PSIA revenue conversion to base rates	<u>0</u>	<u>93.9</u>	<u>0</u>	<u>93.9</u>
Total	\$63.2	\$126.8	\$42.9	\$232.9
Projected YE Rate Base (\$ Billions)	\$1.5	\$2.3	\$2.4	

- PSCo filed a Colorado natural gas multi-year rate case in June 2017
 - Requested a natural gas rate increase of \$139 million over 3 years
 - Requested an ROE of 10.0% and equity ratio of 55.25%
 - Based on forward test years
 - Includes transfer of \$94 million of PSIA rider to base rates, which will not impact overall customer bills
 - Rate base in 2019 reflects the roll-in of capital associated with the PSIA rider
- Commission decision expected and rates effective by February 2018

Wisconsin Rate Case

- NSPW filed a Wisconsin electric & natural gas rate case in May 2017
 - Requested electric rate increase of \$24.7 million (3.6%)
 - Requested nat. gas rate increase of \$12.0 million (10.1%)
 - ROE of 10.0% and equity ratio of 52.53%
 - Rate base of ~\$1.2 billion (electric) and \$138 million (nat. gas)
 - Based on 2018 forward test year
- Commission decision anticipated in the fourth quarter of 2017
- New rates expected to be effective January 2018

Minnesota Recovery Mechanisms

- Forward test year with interim rates
- Transmission rider
- Renewable energy rider
- Gas infrastructure rider
- Environmental improvement rider
- DSM incentive mechanism
- Fuel clause adjustment
- Electric decoupling/sale true-up for all classes (2016-2019)
- Multi-year rate plan legislation passed in 2015
 - Allows for multi-year plans for up to five years
 - Recovery of capital investments
 - Recovery of O&M expenses
 - Recovery of early plant closure costs
 - Recovery of grid modernization through transmission rider
 - Interim rates for the first two years of a multi-year rate plan



North Dakota & South Dakota Recovery Mechanisms

- Forward test year with interim rates (ND)
- Historic test year (SD)
- Environmental rider (ND & SD)
- Transmission rider (ND & SD)
- Renewable energy rider (ND)
- Infrastructure rider for capital projects (SD)
- Fuel clause adjustment (ND & SD)



NSP-Wisconsin Recovery Mechanisms

- Forward test year (WI and MI)
- Biennial rate case (WI)
- Annual electric fuel plan with reconciliation (WI)
- Purchased gas adjustment (WI)
- Gas cost recovery mechanism (MI)
- Power supply cost recovery (MI)



Colorado Recovery Mechanisms

- Ability to file multi-year requests
- Ability to file either historic or forward test years
- Purchased capacity cost adjustment
- Clean Air Clean Jobs Act rider (forward looking)
- Transmission rider (forward looking)
- Natural gas pipeline integrity rider
- Renewable energy rider
- DSM incentive mechanism
- Energy cost adjustment
- Natural gas cost adjustment



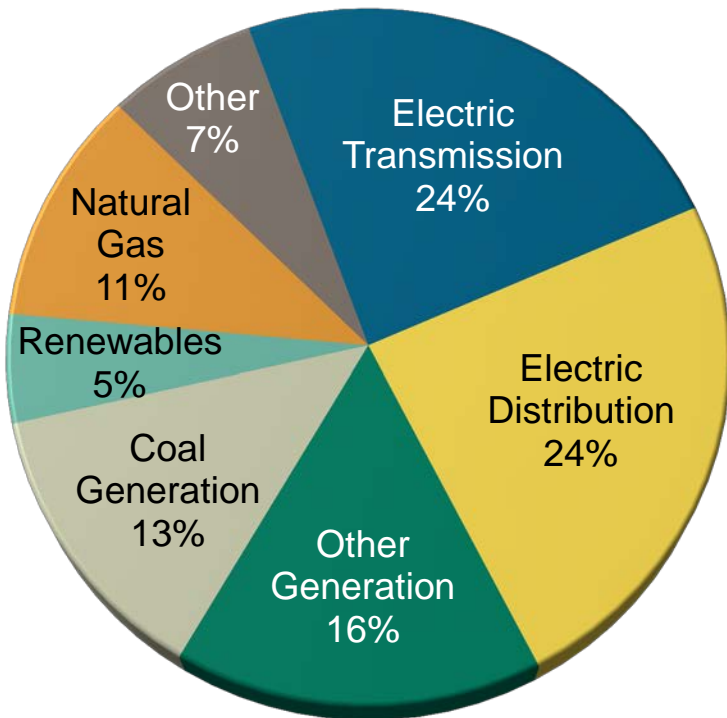
SPS Recovery Mechanisms

- Historic test year (TX)
- Ability to file forward test year (NM)
- DSM incentive mechanism (NM)
- Fuel clause adjustment (TX/NM)
- Purchase Capacity Cost Recovery Factor (TX)
- Transmission Cost Recovery Factor (TX)
- Distribution Cost Recovery Factor (TX)
- Texas legislation passed which will reduce regulatory lag



Changing Composition of Rate Base

2016 Actual Rate Base
\$24.0 billion



2021 Projected Rate Base
\$31.3 billion

