



FIRST QUARTER 2020 EARNINGS REPORT PRESENTATION

MAY 7, 2020

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 the 2020 earnings per share (EPS) guidance, long-term EPS and dividend growth rates, as well as assumptions and other statements are intended to be identified in this document by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “will,” “would” 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, 2019 and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: uncertainty around the impacts and duration of the COVID-19 pandemic; operational safety, including our nuclear generation facilities; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee workforce and third party contractor factors; ability to recover costs, changes in regulation and subsidiaries’ ability to recover costs from customers; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; availability or cost of capital; our customers’ and counterparties’ ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; our subsidiaries’ ability to make dividend payments; tax laws; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather; natural disasters and resource depletion, including compliance with any accompanying legislative and regulatory changes; and costs of potential regulatory penalties.

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Xcel Energy app also available

COVID-19 Proactive Response



Safety and Reliability

- Business continuity plans exercised
- Work from home
- Enhanced cleaning
- Social distancing
- Split crews and staggered shifts
- Temperature checks
- Prepared to sequester if needed



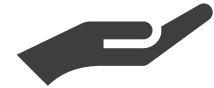
Our Customers

- No disconnects for residential customers
- Entry into homes for emergencies only
- Payment plan arrangements for those needing help
- Preventative reminders about scam activities



Our People

- Expanded coverage for COVID-19 medical costs
- Paid quarantine periods
- Additional 80 hours recovery time if needed
- PTO donation program
- New stress management tools
- Resources to support distance learning



Our Communities

- Planning to donate ~\$20 million in corporate giving and COVID-19 relief
- Over \$450,000 in employee donations and Foundation match
- Over 300,000 masks donated to local healthcare workers

Mankato Energy Center

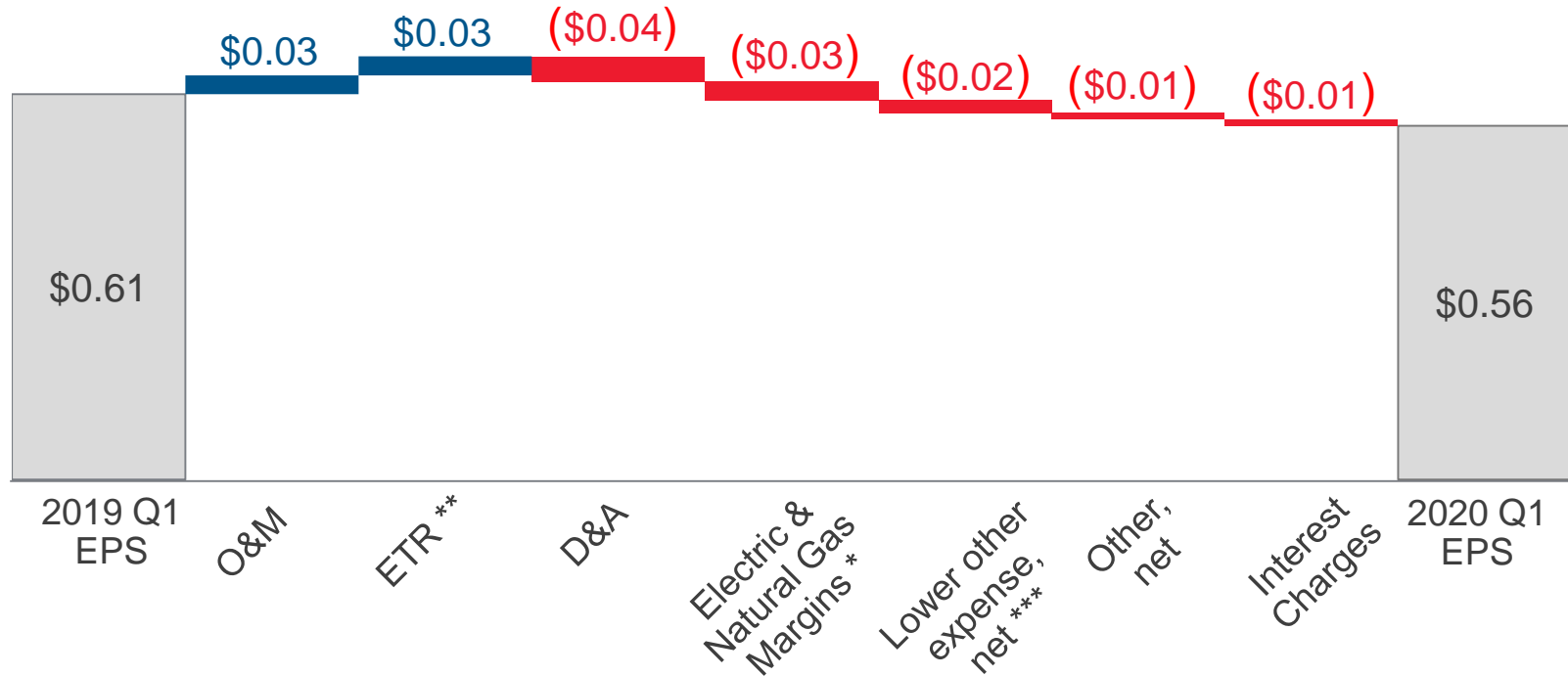
- Originally proposed as fully-regulated asset; rejected by Minnesota Commission
- Acquired as non-regulated asset for \$650 million given anticipated long-term value
- Opportunistic sale to Southwest Generation for \$680 million
- Reinforces Xcel Energy position as one of few pure-play regulated utilities
- Net gain to fund corporate giving efforts, including COVID-19 relief

EPS Results by Operating Company

Operating Company	First Quarter	
	2020	2019
PSCo	\$ 0.24	\$ 0.27
NSPM	0.20	0.22
SPS	0.08	0.10
NSPW	0.06	0.05
Equity earnings	0.01	0.01
Regulated utility	0.60	0.65
Holding company and other	(0.04)	(0.04)
Total GAAP and Ongoing diluted EPS	\$ 0.56	\$ 0.61

Amounts may not sum due to rounding

Quarterly GAAP and Ongoing EPS Change



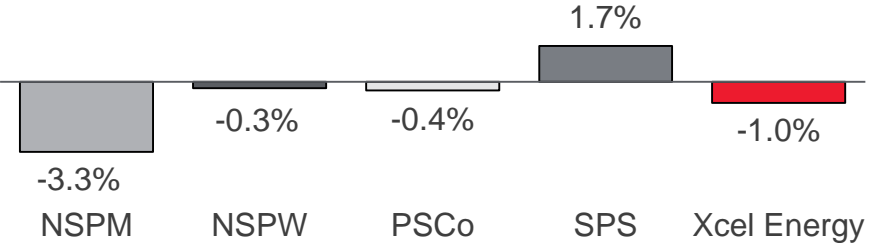
* Combined electric and natural gas margins include ~\$0.04 of negative weather impacts (post decoupling)

** Includes PTCs and timing of tax reform regulatory decisions, which are primarily offset in electric margin

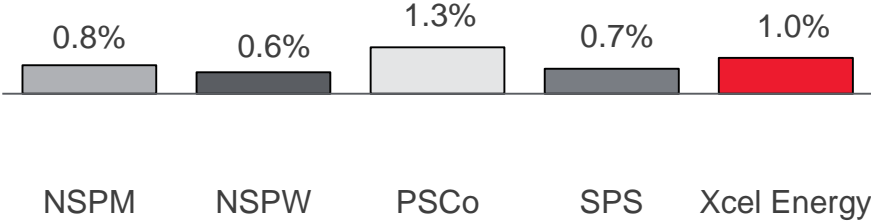
*** Primarily due to the performance of rabbi trust investments associated with deferred compensation (offset in O&M)

Sales and Customer Data

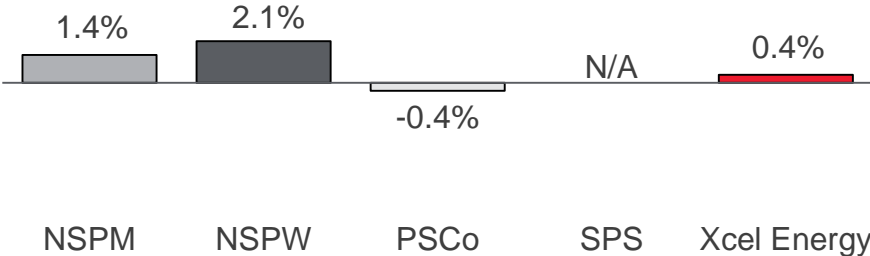
2020 Q1 W/A Retail Electric Sales Growth
(leap year adjusted)



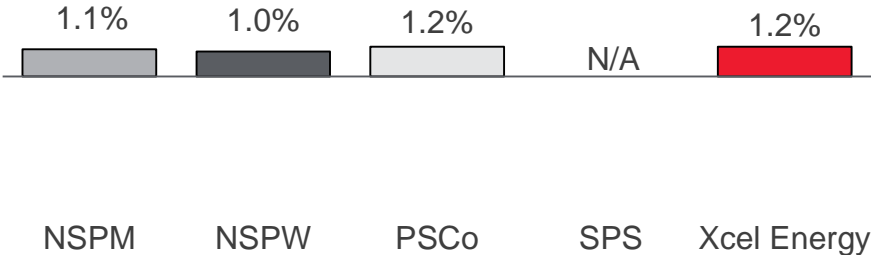
2020 Q1 YoY Electric Customer Growth



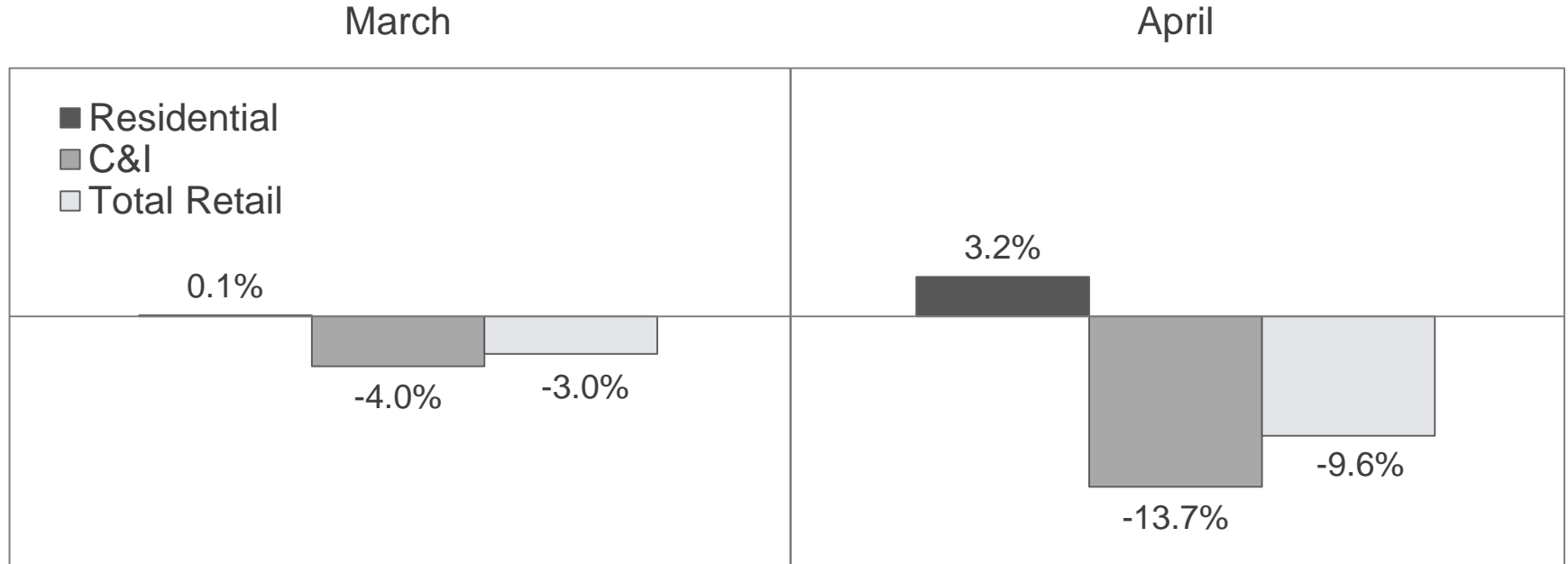
2020 Q1 W/A Natural Gas Sales Growth
(leap year adjusted)



2020 Q1 YoY Natural Gas Customer Growth

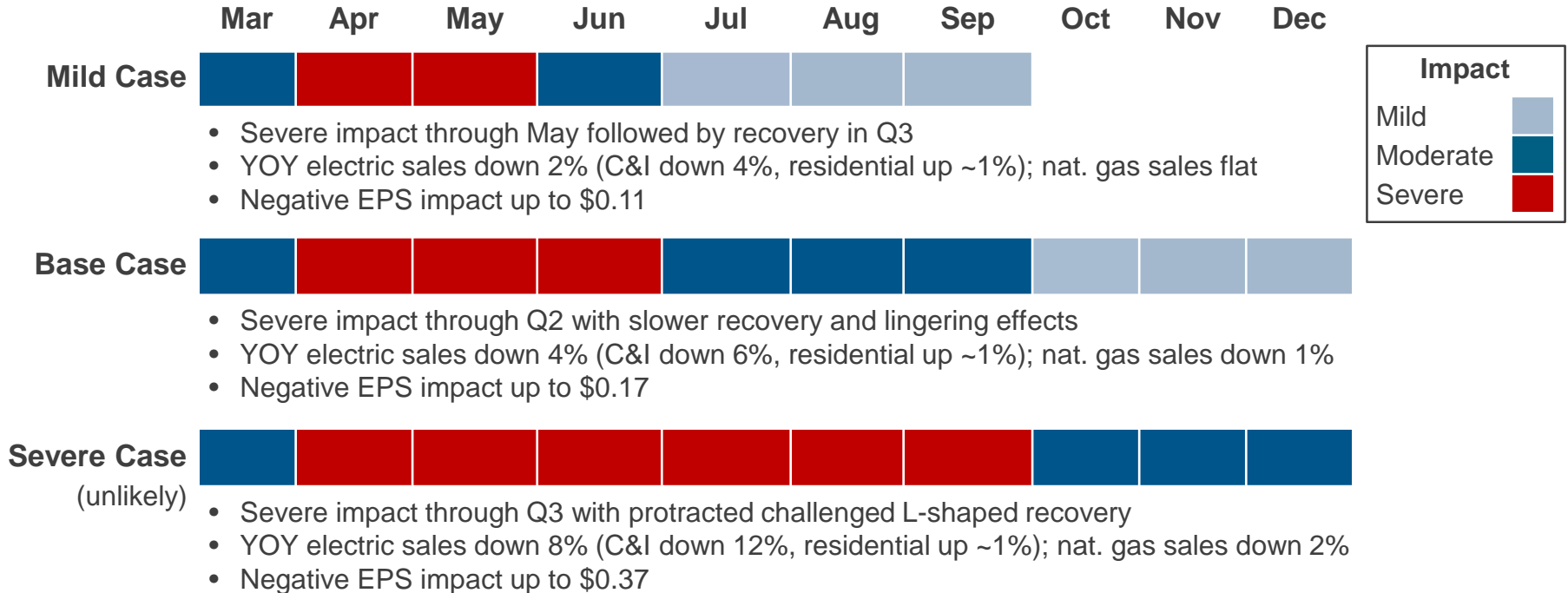


March and Preliminary April W/A Electric Sales Growth



Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates

Retail Sales Scenarios – Full Year 2020



Other estimated COVID-19 EPS impacts range from \$0.02 - \$0.05, assuming constructive regulatory treatment

O&M Contingency Plans

O&M contingency planning to offset negative impacts of COVID-19 includes:

- Natural attrition and hiring freeze
- Employee expenses
- Consulting services
- Variable/incentive compensation
- Certain work activities
- O&M now expected to decline 4-5% in 2020 to offset revenue decline

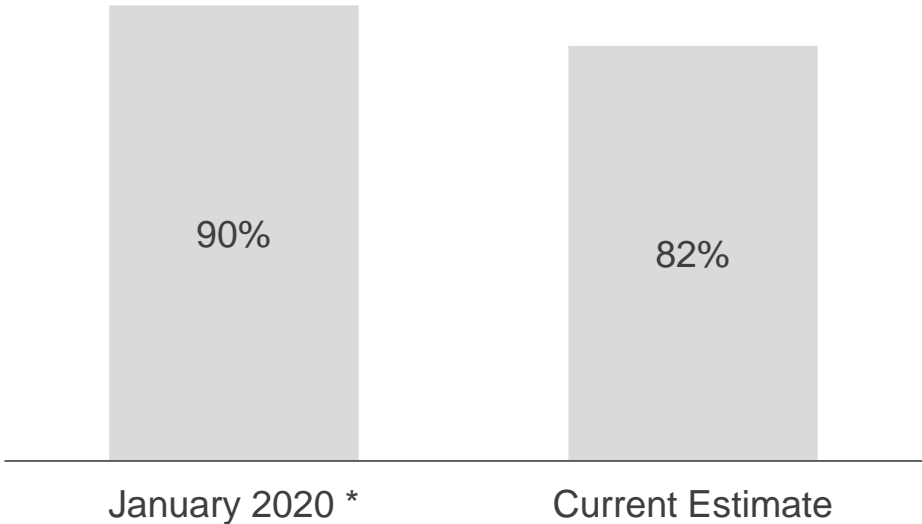
Regulatory Implications

- No material delays in regulatory proceedings
- Deferred accounting treatment
 - Can be used for unusual O&M expenses; Commission approval needed
 - Recovery requested through rate case proceedings
- Incremental COVID-19 expenses
 - Deferred accounting orders in place in Wisconsin, Texas and Michigan
 - Deferral requests filed in our other five states
 - Bad debt currently ~\$40 million/year; reached \$65 million in 2008-09 recession

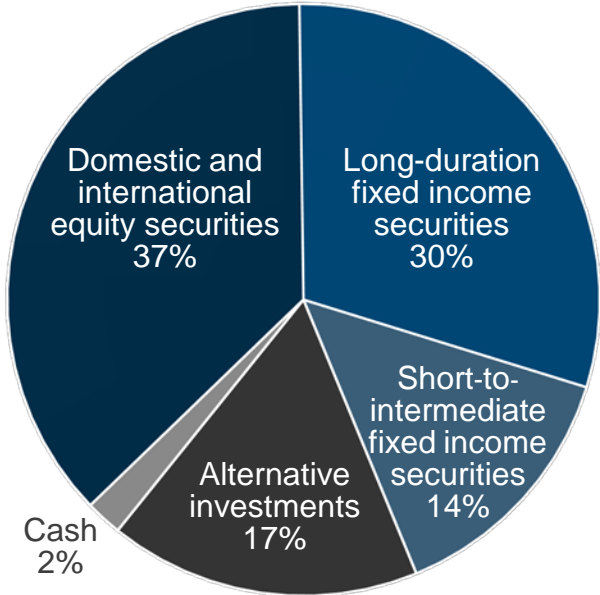
Pension Profile

No Changes to Pension Funding

Funded Status



Targeted Asset Allocations



* January reflects post annual contribution

Liquidity Profile

Over \$4 Billion in Liquidity

\$ Millions

Entity & Credit Facility	Amount	Drawn *	Available Liquidity	Cash	Total Liquidity
Hold Co (credit facility expires in June 2024)	\$1,250	\$107	\$1,143	\$311	\$1,454
NSPM (credit facility expires in June 2024)	\$500	\$10	\$490	\$52	\$542
NSPW (credit facility expires in June 2024)	\$150	\$55	\$95	\$1	\$96
PSCo (credit facility expires in June 2024)	\$700	\$117	\$583	\$1	\$584
SPS (credit facility expires in June 2024)	<u>\$500</u>	<u>\$126</u>	<u>\$374</u>	<u>\$1</u>	<u>\$375</u>
Sub-Total	\$3,100	\$415	\$2,685	\$366	\$3,051
Hold Co Term Loan (matures Dec. 2020)	\$500	\$500	\$0	\$0	\$0
Hold Co Term Loan (matures Mar. 2021)	<u>\$700</u>	<u>\$700</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Available Liquidity	\$4,300	\$1,615	\$2,685	\$366	\$3,051
Mankato Energy Center Sale Proceeds					~\$650
Equity Forward Issued in 2019 but not Settled					<u>~\$740</u>
Total Liquidity					\$4,441

* Includes outstanding commercial paper and letters of credit

Supply Chain Impacts

- No material impacts through March
- Recent wind project disruptions have surfaced and situation remains fluid
- Potential delay will likely cause 2 projects to slip into 2021
- Working through challenges to try to complete by end of 2020
- Confident in ability to qualify for 100% PTC customer benefit through IRS continuous efforts criteria, even if completed in 2021

SPS New Mexico Electric Rate Case

Docket # 19-00170-UT

- In 2019, SPS filed an electric rate case seeking a revised rate increase of \$47 million, based on a ROE of 10.1%, an equity ratio of 54.8% and a historic test year
- In January 2020, SPS reached a settlement reflecting the following:
 - Rate increase of \$31 million
 - ROE of 9.45% and equity ratio of 54.8%
 - Accelerated depreciation on the Tolk coal plant to reflect an early retirement in 2037; signatories will not oppose the acceleration of depreciation to a 2032 early retirement date in SPS' next New Mexico rate case
- Pending a hearing examiner recommendation and commission decision
- SPS anticipates final rates will go into effect in 2020 Q2 or Q3

SPS Texas Electric Rate Case

Docket # 49831

- In March 2020, SPS filed an update to its rate case filed in August 2019, requesting:
 - Base rate increase of \$130 million
 - ROE of 10.1% and equity ratio of 54.65%
 - Rate base of \$2.6 billion
 - June 30, 2019 HTY
- Seeks a surcharge from September 2019 through effective date of new rates
- In May 2020, SPS and intervening parties reached a constructive, unopposed settlement agreement in principle
- Working with parties to document and file the settlement, which we expect to occur in Q2
- SPS anticipates final rates will go into effect in 2020 Q3

PSCo Colorado Natural Gas Rate Case

Docket # 20AL-0049G

- In February 2020, PSCo filed a natural gas rate case requesting:
 - Base rate increase of \$127 million; net of \$18 million transfer from PSIA rider to base rates
 - ROE of 9.95% and equity ratio of 55.8%
 - Rate base of ~\$2.2 billion
 - September 30, 2019 HTY adjusted for known and measurable changes through September 2020
- PSCo anticipates final rates will go into effect in November 2020

Revenue Request (millions of dollars)	
Capital Additions (through Sept. 30, 2019)	\$62
Forecasted Capital Additions (through Sept. 30, 2020)	\$33
Sales Growth (includes amounts forecasted through Sept. 30, 2020)	(\$29)
Operations and Maintenance, Amortization and Other Expenses	\$29
Property Tax Expense	\$19
Cost of Capital	\$8
Updated Depreciation Rates	\$5
Net New Revenue Request	\$127

2020 GAAP & Ongoing EPS Guidance: \$2.73 – \$2.83

Earnings Drivers	Key Assumptions (as compared to 2019 levels unless noted)
Regulatory proceedings	Constructive outcomes in all proceedings
Weather	Normal weather
W/A retail electric sales	Decline of approximately 4% (Base Case)
W/A retail natural gas sales	Decline of approximately 1% (Base Case)
Capital rider revenue (net of PTCs)	Increase of \$45 million - \$55 million
O&M expenses	Decline of approximately 4-5% (Base Case)
Depreciation expense	Increase of \$160 million - \$170 million
Property taxes	Increase of \$35 million - \$45 million
Interest exp. (net of AFUDC-debt)	Increase of \$60 million - \$70 million
AFUDC-equity	Increase of \$25 million - \$35 million
Effective tax rate (net of PTCs)	Approximately 0%

2020 EPS guidance of \$2.73 to \$2.83 assumes implementation of contingency plans to offset the negative impacts of COVID-19 under the base case scenario. Our contingency plans may not be able to offset the negative impacts under a severe scenario.

Ongoing earnings could differ from those prepared in accordance with GAAP due to unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing diluted EPS to corresponding GAAP diluted EPS.

2020 Highlights

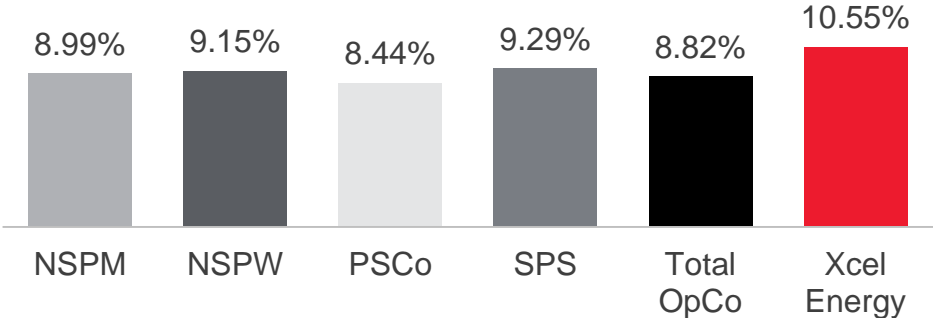
- Increased dividend 6.2%
- Agreed to sell Mankato Energy Center for \$680 million; net gain expected to fund corporate giving efforts, including support related to COVID-19 recovery
- Enhanced liquidity
- Succession planning announced
 - Bob Frenzel named President and Chief Operating Officer
 - Brian Van Abel named Executive Vice President and Chief Financial Officer
- Rate case settlements reached in New Mexico and Texas
- Colorado natural gas rate case filed in February 2020
- Implementing contingency plans to offset negative impact of COVID-19
- Xcel Energy reaffirms 2020 earnings guidance of \$2.73 to \$2.83 per share, which assumes the implementation of contingency plans will be sufficient to offset the negative impacts of COVID-19 under the base case

APPENDIX

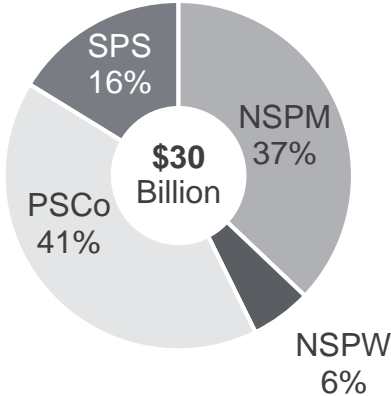
ROE Results – GAAP and Ongoing Earnings

GAAP and Ongoing ROE

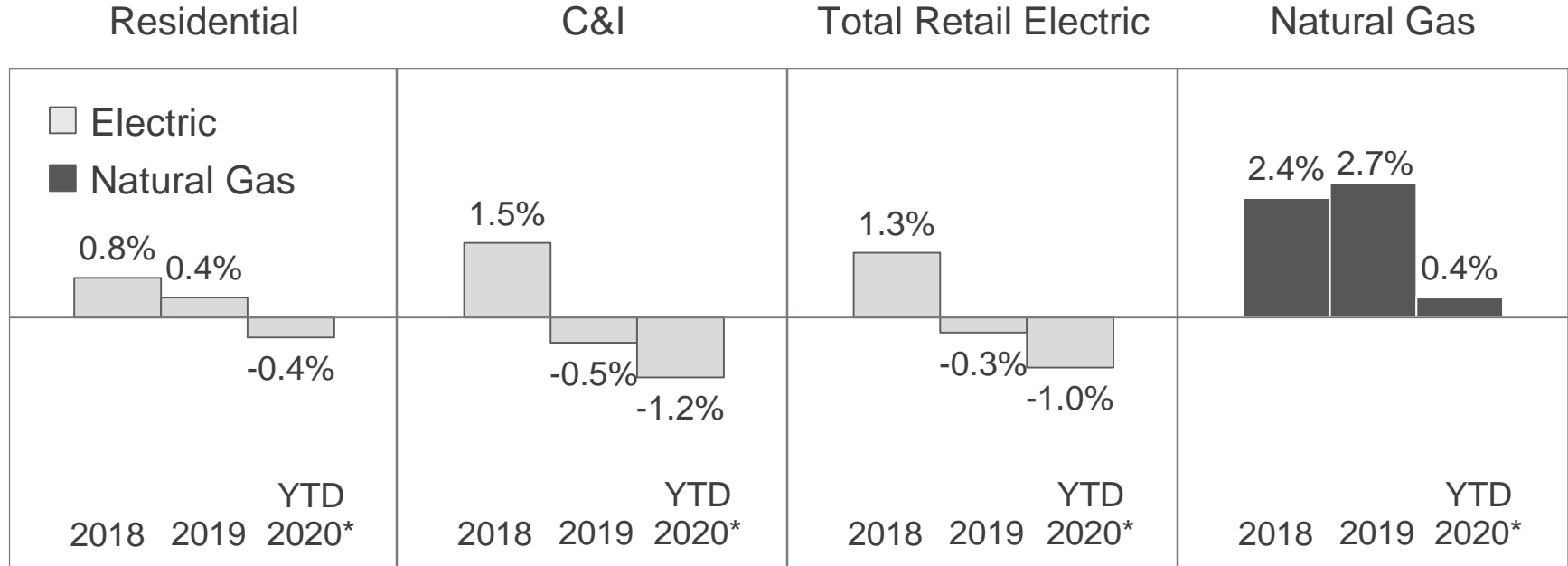
Twelve Months Ended 3/31/2020



2019E Rate Base



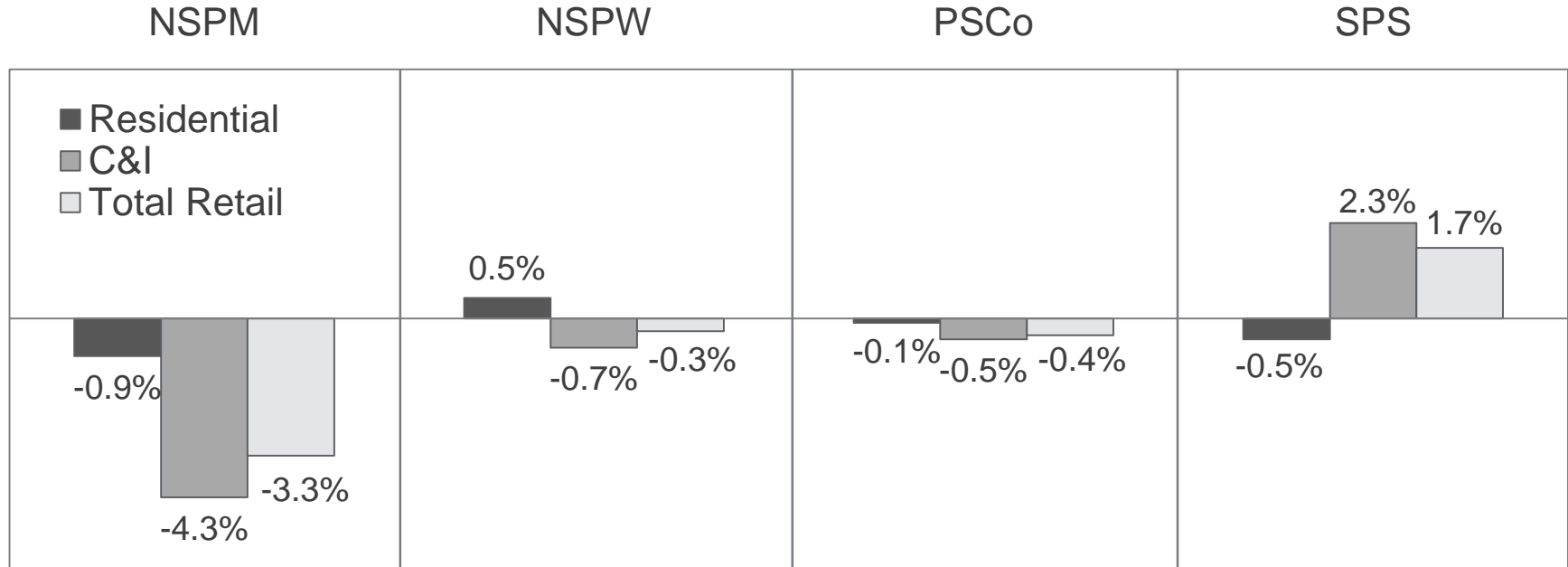
Xcel Energy W/A Sales Growth



* Leap year adjusted

Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates

2020 W/A Electric Sales Growth



Leap year adjusted

Extreme weather variations, wind chill and cloud cover may not be reflected in growth (decline) estimates

Retail Electric Sales and Revenue By Class



Residential



Small C&I

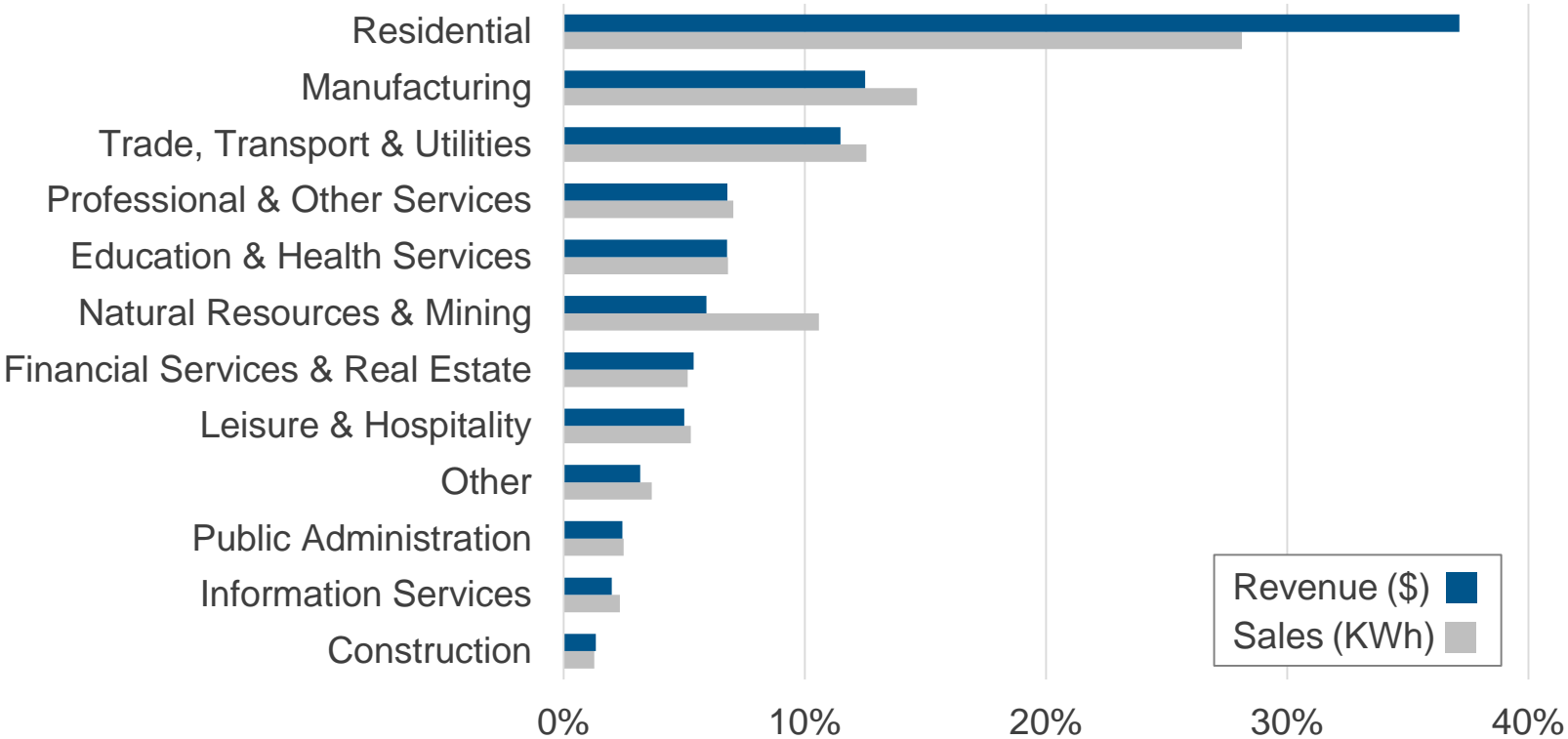


Large C&I

Percent of revenue	37%	41%	21%
Percent of sales (KWh)	28% (~70% decoupled)	40% (~40% decoupled)	32% (~25% decoupled)
1% sales impact	~\$5 million	~\$20 million	
Considerations	Highest-margin class	Demand charges ~56% of base revenue	

Sales sensitivity is pre-tax and net of decoupling
 Large C&I includes customers with load \geq 1 MW
 Base revenue excludes fuel and riders

Retail Electric Sales and Revenue by Sector



Retail Electric C&I Demand Charges

Company	% of C&I Base Revenue	% of Demand Revenue Based on Current Month Peak	% of Demand Revenue Based on Greater of the Current Month Peak or Prior Levels
NSPM	44%	25%	75% - Greater of current month peak or 50% of peak in past year
NSPW	32%	85%	15% - Highest monthly peak in past year
PSCo	78%	70%	30% - Greater of current month peak or 50% of peak in past year
SPS	74%	TX 77% NM 88%	TX 23% - Greater of current month peak or 70% of peak in past year NM 12% - Greater of current month peak or 60% of peak in past year
Xcel Energy	56%	55%	45% - Parameters vary by state

Base revenue excludes fuel and riders

State Stay-at-Home Orders



- Stay-at-home March 27 - May 18
- Some outdoor recreation restarted April 18; elective surgeries to begin next week
- Non-essential businesses without customer contact opened April 27



- Stay-at-home March 26 - April 26
- Safer-at-home in place April 27:
 - Phased reopening of retail stores; non-essential offices 50% open
 - Personal and medical services resume



- Safer-at-home March 25 - May 26
- Non-essential businesses now open for delivery, mail and curbside service



- Stay-at-home April 2 - April 30
- Retail stores, malls, theaters, museums open with occupancy limited to 25%
- Salons, gyms and bars to open mid-May



- No stay-at-home order, but non-essential businesses closed through April 30
- Partial reopen May 1; schools remain closed



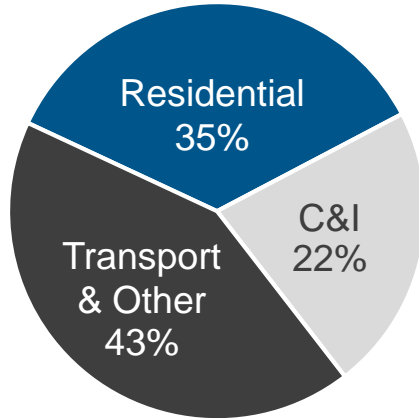
- Stay-at-home March 23 - May 15
- Planning for thoughtful, staged and flexible reopening of the state



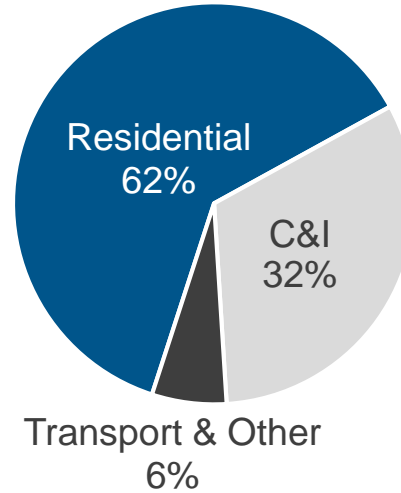
- No stay-at-home order, but social distancing and following CDC guidelines encouraged
- Elective surgeries postponed; schools closed

Natural Gas Sales and Revenue

Sales (MMBtu)



Revenue (\$)



100 bp sales impact = ~\$4 million (pre-tax)

2020 Long-term Debt Financing Plan

\$ Millions

Issuer	Security	Amount	Status	Tenor	Coupon
Hold Co	Senior Unsecured Bonds	~\$600	Completed	10 Yr	3.40%
PSCo	First Mortgage Bonds	~\$750	Pending – Q2	N/A	N/A
SPS	First Mortgage Bonds	~\$350	Pending – Q2	N/A	N/A
NSPW	First Mortgage Bonds	~\$100	Pending – Q2	N/A	N/A
NSPM	First Mortgage Bonds	~\$700	Pending – Q3	N/A	N/A

Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions and other factors

