



SECOND QUARTER 2020 EARNINGS REPORT PRESENTATION

JULY 30, 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 rate objectives, future sales, future bad debt expense, and future operating performance, 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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COVID-19 Impacts and Mitigation

- Reaffirming original 2020 earnings guidance of \$2.73 to \$2.83 per share *
- Executing continuity plans well; employee and customer safety remains paramount
- 2020 Q2 sales significantly impacted, but better than assumed in base case scenario
- Execution of O&M contingency plans on track
- COVID-19 expense deferral orders issued in Minnesota, Wisconsin, Texas, New Mexico and Michigan; settlement filed in Colorado; requests filed in North and South Dakota
- Strong liquidity position
- No material supply chain impacts with exception of potential delays to two wind projects; PTC extension assures 100% customer benefit
- No material delays in regulatory proceedings

* Assumes contingency plans will be sufficient to offset the adverse impacts of COVID-19 under base case

Advancing Economic Recovery

Docket No. E,G999/CI-20-492

Minnesota Relief and Recovery Proposal – Potential Projects

Wind Repowering

~\$1.0-1.4 billion



Incremental investment:
Owned wind & PPAs
(800 MW – 1,000 MW)

Grid Resiliency

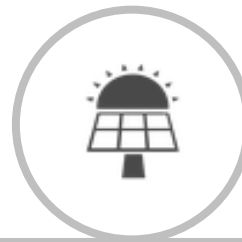
~\$850 million



Accelerated investment:
Distribution, transmission
and natural gas projects

Solar Generation

~\$650 million



Incremental investment:
460 MW universal solar
with storage

EV Infrastructure

~\$150 million



Incremental investment:
Fleet/public charging;
new rebate programs

ESG Highlights

- Dakota Range moving from 80% PTC to 100% PTC with substantial customer savings
- Early retirement of coal-fired Craig unit 2 announced
- Recent climate risk assessment results in full alignment with TCFD recommendations
- SPS Texas & New Mexico retail electric rates were the lowest in the United States in 2019 per S&P Global
- Boulder franchise settlement agreement reached, pending city council and voter approval
- CEO priorities as new Chair of EEI include:
 - Pandemic recovery
 - Clean energy advancement
 - Racial justice

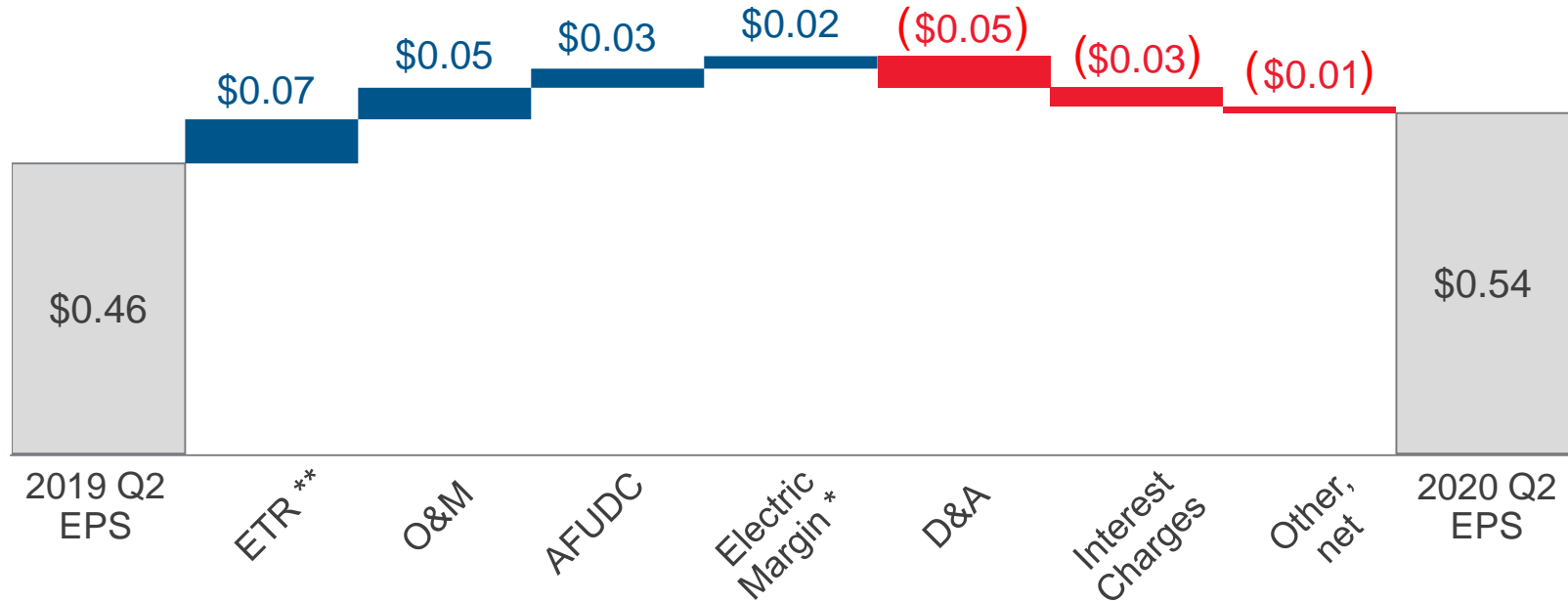


EPS Results by Operating Company

Operating Company	Second Quarter		YTD	
	2020	2019	2020	2019
PSCo	\$ 0.21	\$ 0.20	\$ 0.45	\$ 0.47
NSPM	0.22	0.19	0.43	0.41
SPS	0.14	0.11	0.22	0.22
NSPW	0.02	0.02	0.09	0.06
Equity earnings	0.01	0.01	0.02	0.02
Regulated utility	0.60	0.53	1.20	1.18
Holding company and other	(0.07)	(0.06)	(0.10)	(0.11)
Total GAAP and Ongoing diluted EPS	\$ 0.54	\$ 0.46	\$ 1.10	\$ 1.07

Amounts may not sum due to rounding

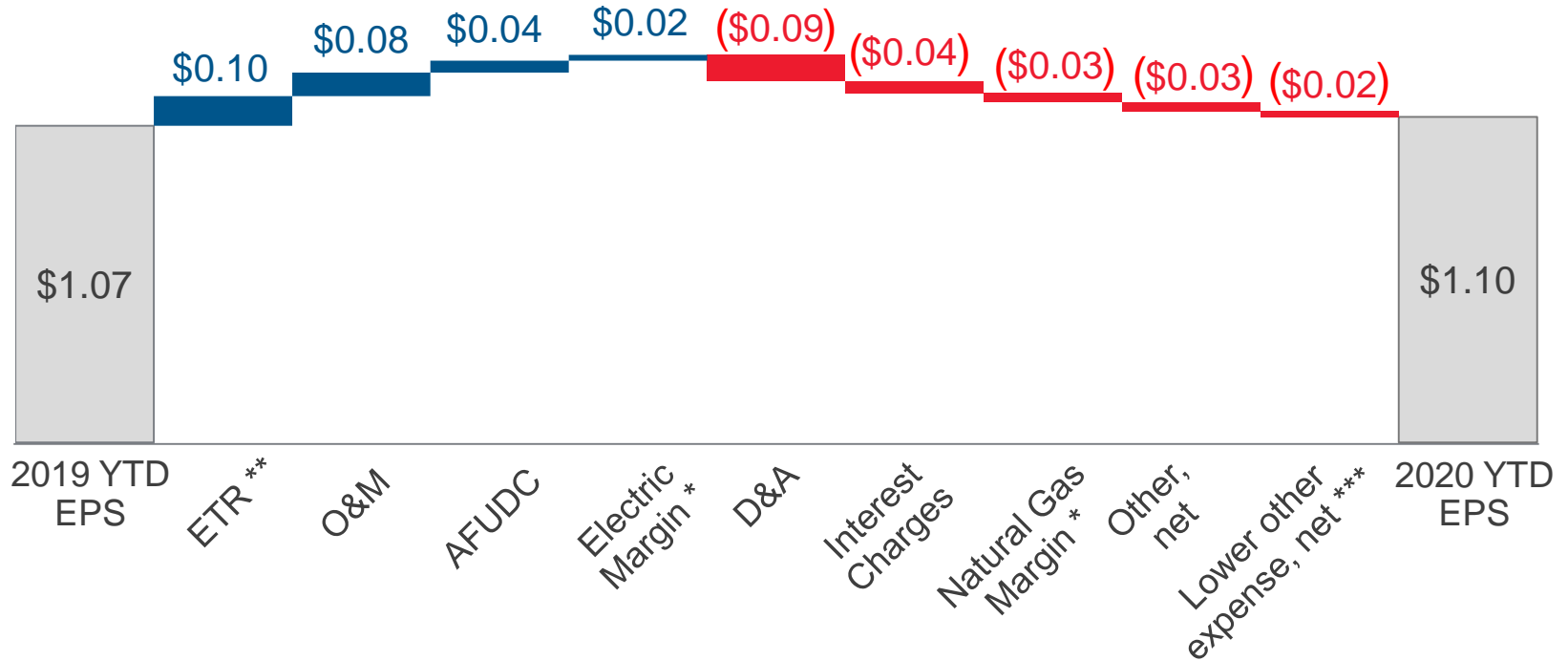
Quarterly GAAP and Ongoing EPS Change



* Electric margin includes ~\$0.03 of positive weather impacts (post decoupling)

** Includes PTCs and tax reform regulatory amounts, which are primarily offset in electric margin

YTD GAAP and Ongoing EPS Change



* Combined electric and natural gas margins include ~\$0.02 of negative weather impacts (post decoupling)

** Includes PTCs and tax reform regulatory amounts, which are primarily offset in electric margin

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

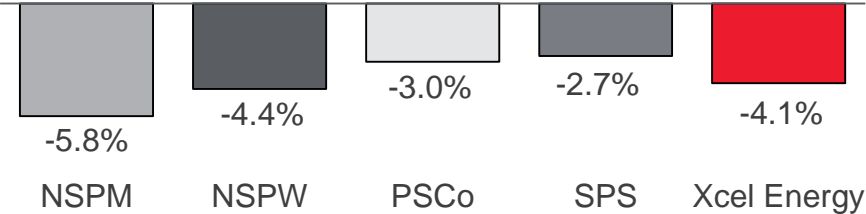
Electric Margin

Diluted Earnings (Loss) Per Share	Second Quarter 2020	YTD 2020
Electric margin (excluding reductions in sales and demand)	\$0.09	\$0.09
Reductions in sales and demand *	<u>(0.07)</u>	<u>(0.07)</u>
Higher electric margins	\$0.02	\$0.02

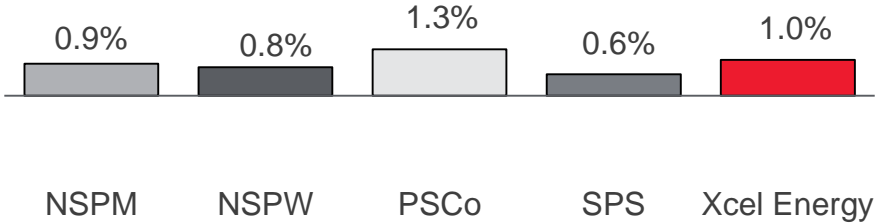
* Excludes weather impact, net of decoupling/sales true-up and decrease in demand revenue is net of sales true-up

Sales and Customer Data

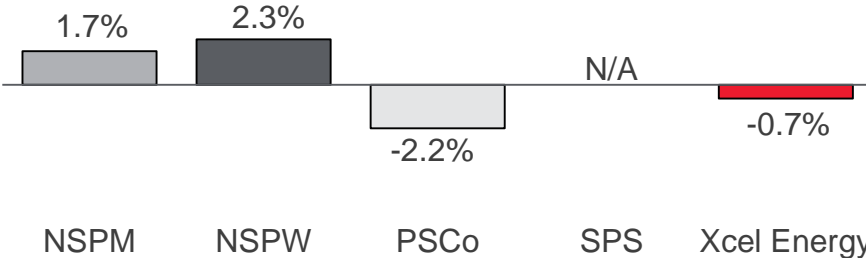
2020 YTD W/A Retail Electric Sales Growth
(leap year adjusted)



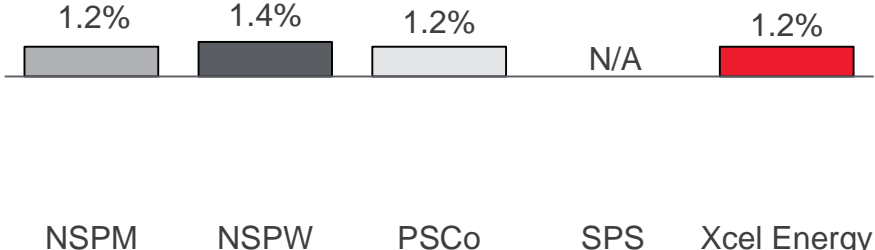
2020 Q2 YoY Electric Customer Growth



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

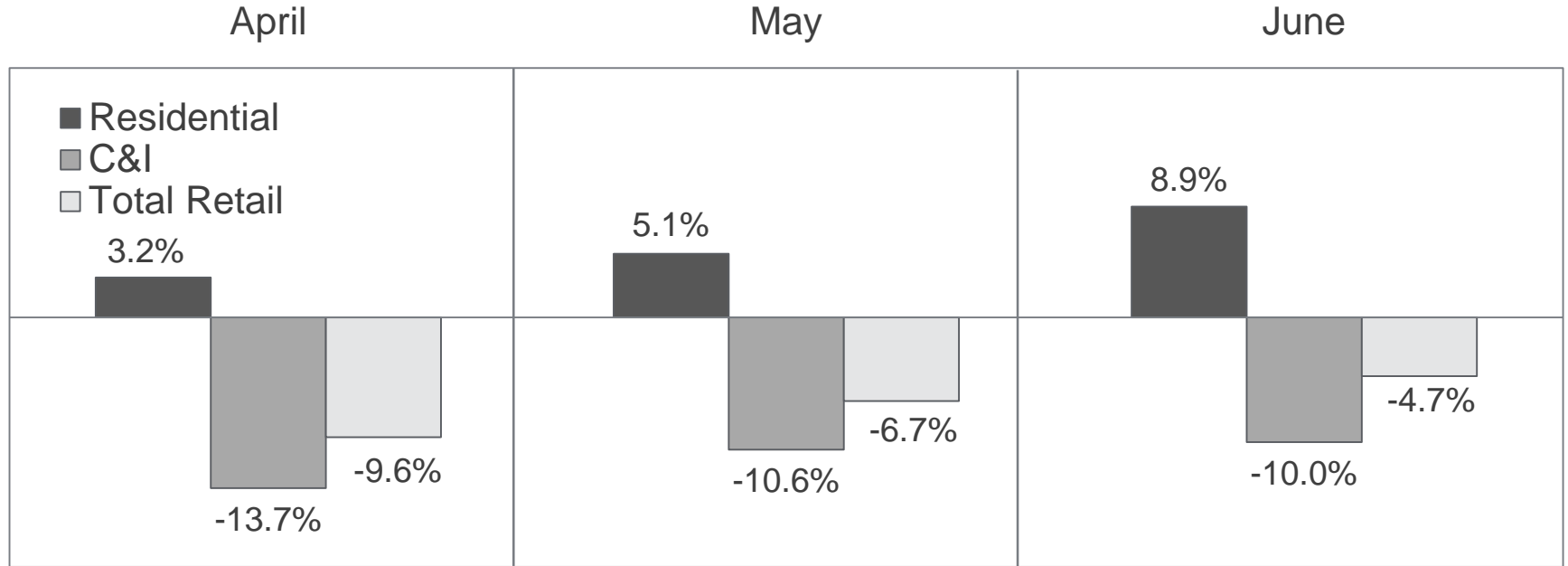


2020 Q2 YoY Natural Gas Customer Growth

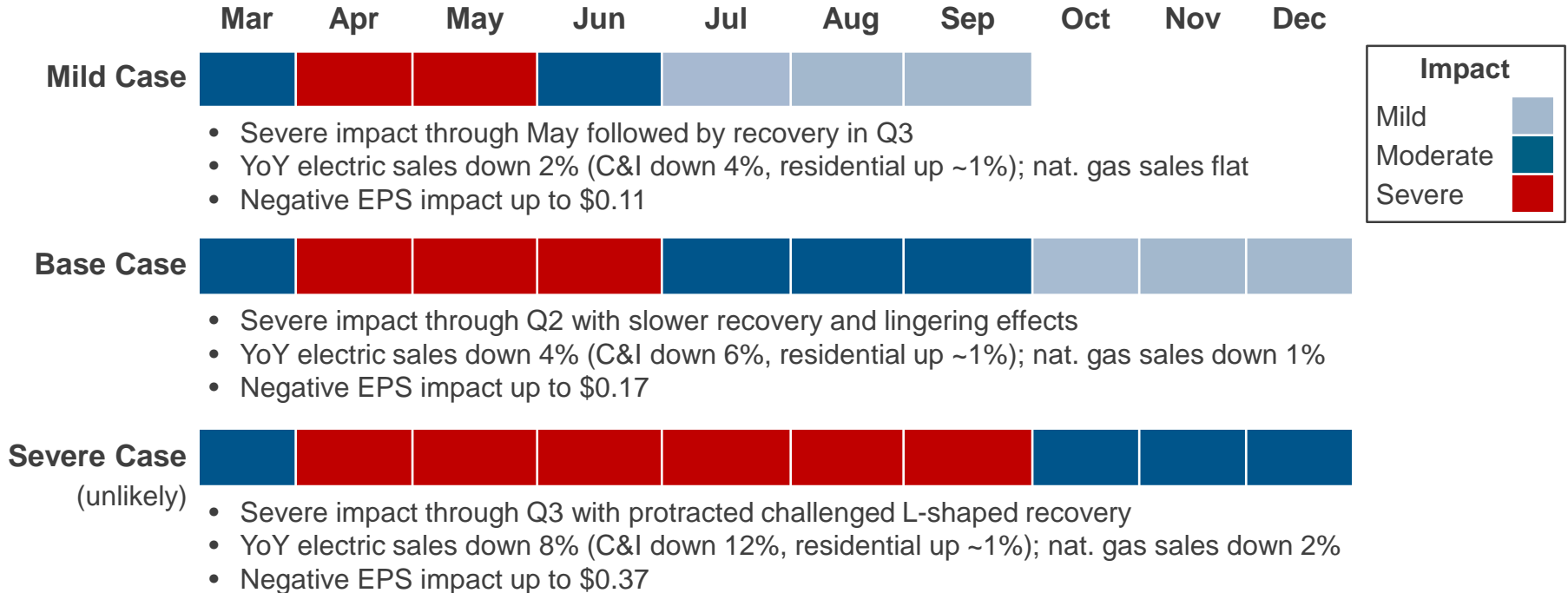


W/A Electric Sales Growth

Q2 Sales Stronger than Base Case Scenario Assumptions



Retail Sales Scenarios – Full Year 2020



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

Liquidity Profile

\$ Millions

Over \$5 Billion in Liquidity

Entity & Credit Facility *	Amount	Drawn **	Available Liquidity	Cash	Total Liquidity
Hold Co	\$1,250	\$76	\$1,174	\$621	\$1,795
NSPM	\$500	\$10	\$490	\$682	\$1,172
NSPW	\$150	\$0	\$150	\$10	\$160
PSCo	\$700	\$8	\$692	\$9	\$701
SPS	<u>\$500</u>	<u>\$2</u>	<u>\$498</u>	<u>\$186</u>	<u>\$684</u>
Sub-Total	\$3,100	\$96	\$3,004	\$1,508	\$4,512
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	\$1,296	\$3,004	\$1,508	\$4,512
Equity Forward Issued in 2019 but not settled					<u>~\$730</u>
Total Liquidity ***					\$5,242

* Credit facilities expire in June 2024

** Includes outstanding commercial paper and letters of credit

*** Liquidity as of July 27, 2020 - amounts may not sum due to rounding

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 an ROE of 10.1%, an equity ratio of 54.8% and a historic test year
- In May 2020, the New Mexico commission approved a settlement without modifications:
 - 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
- Final rates went into effect on May 28, 2020

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 54.62%
 - Rate base of \$2.6 billion
 - June 30, 2019 HTY
- In May 2020, SPS reached an uncontested, blackbox settlement, which includes:
 - Base rate increase of \$88 million and reset of Transmission rider to zero
 - For AFUDC purposes: ROE of 9.45% and equity ratio of 54.62%
 - Changes in certain depreciation rates for coal plants and transmission assets
 - Certain ring-fencing measures
- SPS anticipates a commission ruling in 2020 Q3, with rates retroactive to September 2019

PSCo Colorado Natural Gas Rate Case

Docket # 20AL-0049G

- In February 2020, PSCo filed a natural gas rate case requesting:
 - Revised net rate increase of \$121 million (net of PSIA rider transfer)
 - 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
- In July 2020, PSCo reached a comprehensive, unopposed settlement with all parties:
 - Net rate increase of \$77 million (net of PSIA rider transfer)
 - ROE of 9.2% and equity ratio of 55.62%
 - Test year ended September 30, 2019 (adjusted for Tungsten to Black Hawk project)
- Rate implementation April 2021, retroactive back to November 2020
- Settlement pending commission approval

PSCo Rider Filing

Wildfire Docket # 20A-0300E

Advanced Grid Docket # 20AL-0301E

- In July 2020, PSCo filed for rider recovery of:
 - Proposed wildfire mitigation plan
 - Advanced grid investments
- Filing avoids a full electric rate case
- Commission decision anticipated in 2021 Q2

Net Revenue Requirement (\$ Millions)

Rider	2021	2022	2023	2024	2025
Wildfire	\$17	\$24	\$29	\$32	\$34
Advanced grid	<u>\$53</u>	<u>\$69</u>	<u>\$83</u>	<u>\$89</u>	<u>\$99</u>
Total	\$70	\$93	\$112	\$121	\$133

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 for the rest of the year
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 \$40 million - \$45 million
O&M expenses	Decline of approximately 4-5% (Base Case)
Depreciation expense	Increase of \$180 million - \$190 million
Property taxes	Increase of \$35 million - \$45 million
Interest exp. (net of AFUDC-debt)	Increase of \$45 million - \$55 million
AFUDC-equity	Increase of \$35 million - \$45 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 Q2 Highlights

- Effectively mitigating COVID-19 impacts
- Filed Minnesota stimulus proposal to help rejuvenate the economy and create jobs
- Closed on Mankato plant sale; net gain to fund charitable causes
- Announced early retirement of the coal-fired Craig unit 2
- Achieved full alignment with TCFD recommendations
- Commission approved our New Mexico electric rate case settlement
- Filed settlements for Texas electric and PSCo natural gas cases, pending approval
- Filed for wildfire and advanced grid riders instead of a general rate case in Colorado
- Boulder franchise settlement agreement reached, pending city council and voter approval
- Reaffirming original 2020 earnings guidance of \$2.73 to \$2.83 per share; assumes O&M contingency plans will be sufficient to offset COVID-19 impacts under base case scenario

APPENDIX

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 plans for those needing help
- Preventative scam reminders
- Donating ~2 million LED light bulbs to local food banks



Our People

- Expanded coverage for COVID-19 medical costs
- Paid quarantine periods
- Additional 80 hours recovery time if needed
- PTO donation program
- Voluntary temporary leave and part-time work arrangements
- Stress management tools



Our Communities

- ~\$20 million in planned corporate giving, including COVID-19 relief
- Over \$450,000 in employee donations and Foundation match
- Over 300,000 masks donated to local healthcare workers
- Donated 2.5 million high efficiency light bulbs

COVID-19 Related Expenses

- Bad debt expense:
 - Normal levels ~\$40 million/year
 - Reached \$65 million in 2008-09 recession
- Incremental COVID-19 expense deferral requests:
 - Orders approved in Minnesota, Wisconsin, Texas, New Mexico and Michigan
 - Settlement reached in Colorado, pending commission approval
 - Filed requests in North Dakota and South Dakota, pending commission review
- Deferred accounting treatment:
 - Can be used for unusual O&M expenses; commission approval needed
 - Recovery requested through rate case proceedings

COVID-19 O&M Contingency Plans

- O&M expected to decline 4-5% in 2020 to offset revenue declines from COVID-19
- Management actions include:
 - Natural attrition and hiring freeze
 - Employee expenses
 - Consulting services
 - Variable/incentive compensation
 - Certain work activities

COVID-19 Stay-at-Home Orders



- Stay-at-home March 27 - May 18
- Businesses open with occupancy limitations and other guidelines
- Fall school guidelines expected July 30



- Stay-at-home March 26 - April 26
- Businesses open with occupancy limitations and other guidelines
- Fall school approach likely mix of in-person and virtual learning



- Safer-at-home March 25 - May 26
- Businesses open with guidelines
- Each district to determine fall school plans



- Stay-at-home April 2 - April 30
- Businesses open with restrictions; some reopening plans scaled back in late June
- Governor announced in-person fall classes back in June; debate occurring



- No formal stay-at-home order, but non-essential businesses closed through April 30
- Fall school plans pending



- Stay-at-home March 23 - May 15
- Businesses open with restrictions; indoor dining reclosed July 9
- Out-of-state visitors must self-quarantine
- Fall school reopening plans pending

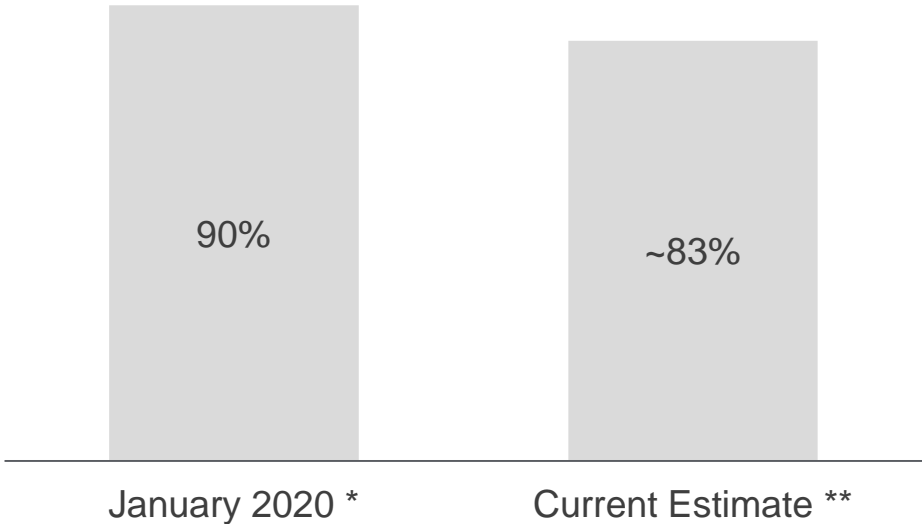


- No formal stay-at-home order; adherence to CDC guidelines encouraged
- Governor intends in-person fall classes; plans to be determined by each district

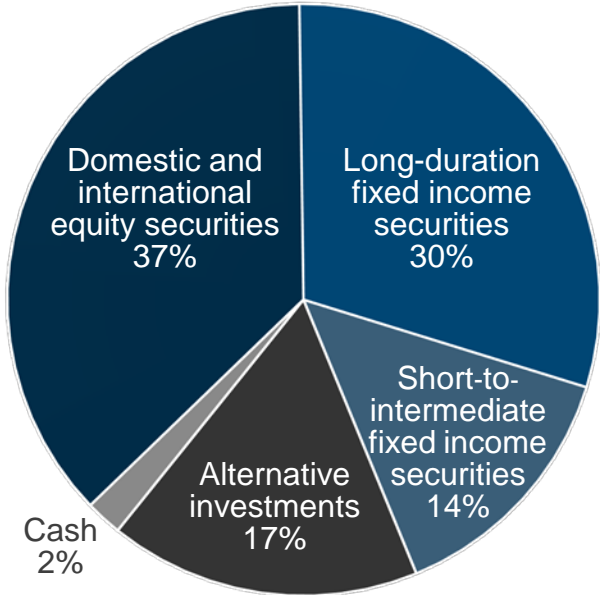
Pension Profile

No Changes to Pension Funding

Funded Status



Targeted Asset Allocations



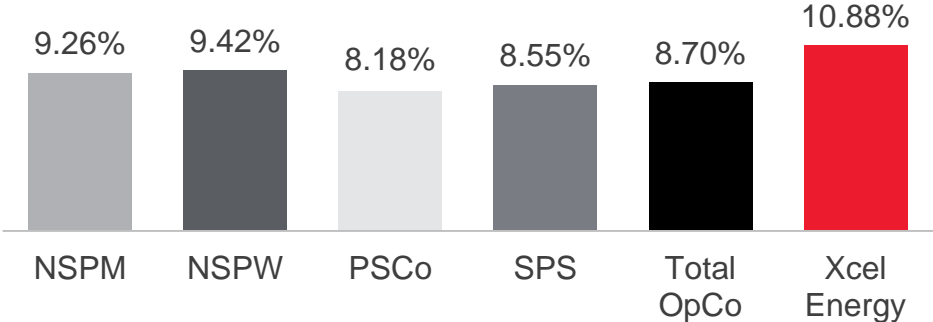
* January reflects post annual contribution

** Current estimate of funded status as of July 24, 2020

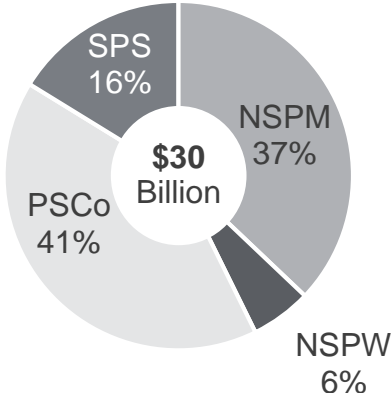
ROE Results – GAAP and Ongoing Earnings

GAAP and Ongoing ROE

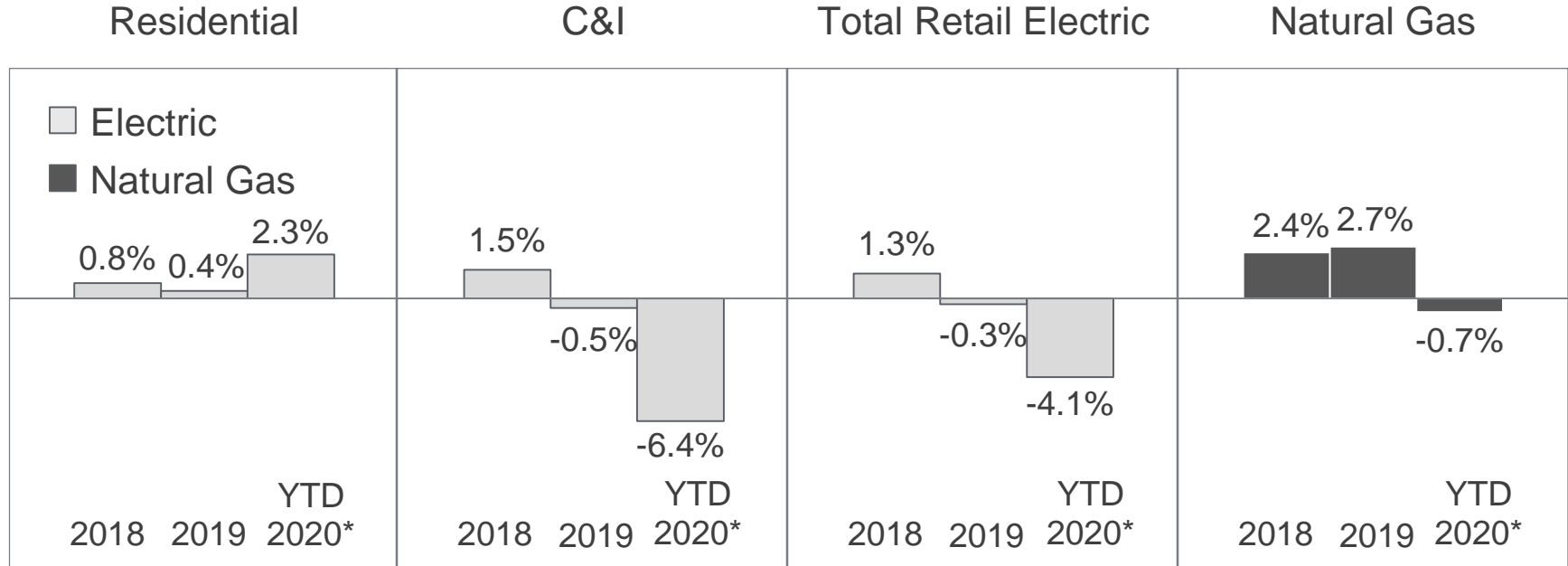
Twelve Months Ended 6/30/2020



2019 Rate Base



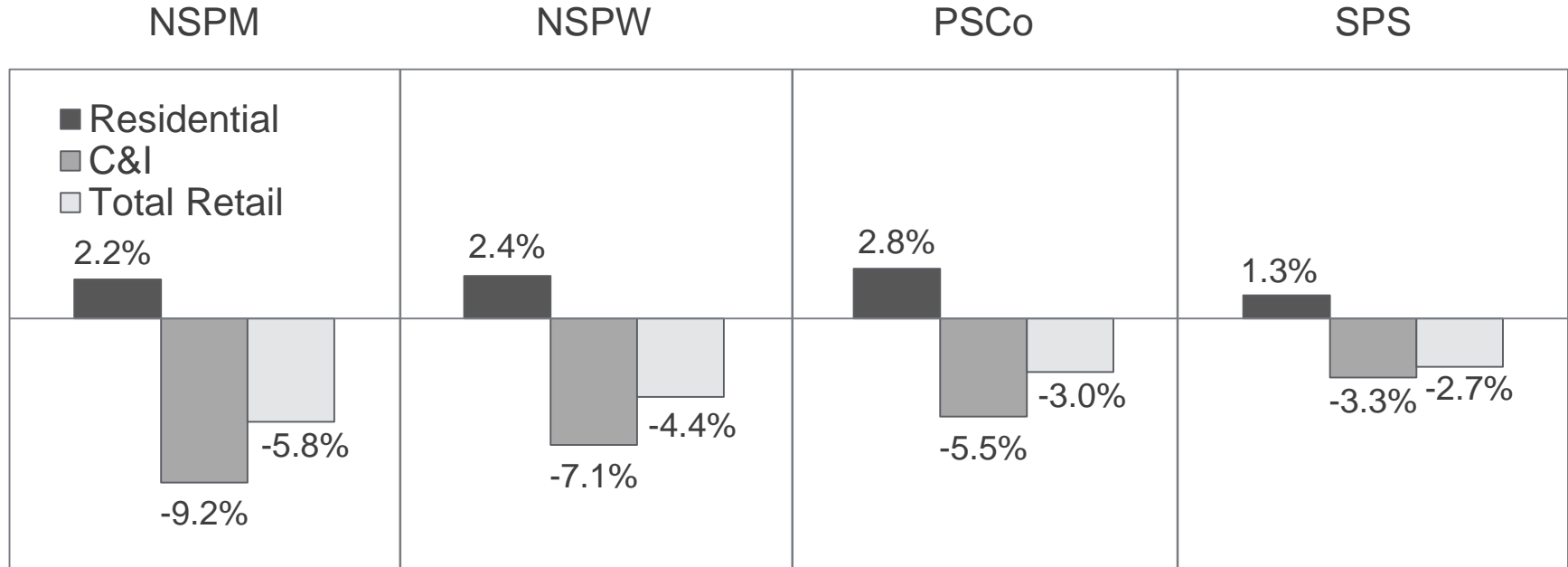
Xcel Energy W/A Sales Growth



* Leap year adjusted

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

2020 YTD W/A Electric Sales Growth



Leap year adjusted

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

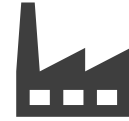
Retail Electric Sales and Revenue By Class



Residential



Small C&I



Large C&I

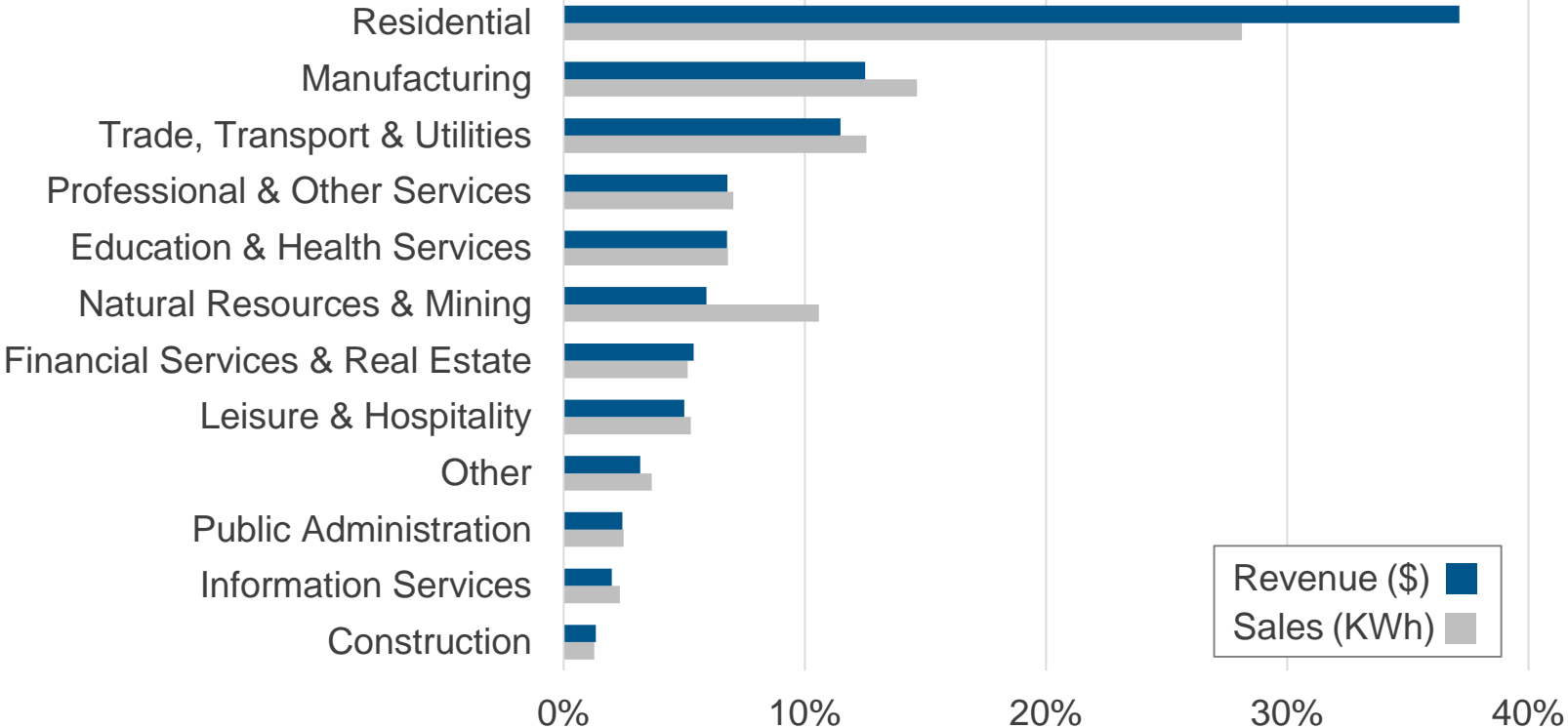
Percent of revenue	37%	41%	21%
Percent of sales (KWh)	28% (~70% decoupled)	40% (~40% decoupled)	32% (~25% decoupled)
1% sales impact	~\$5 million	~\$20 million	
Considerations	Highest-margin class	Demand charges ~56% of base revenue	

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



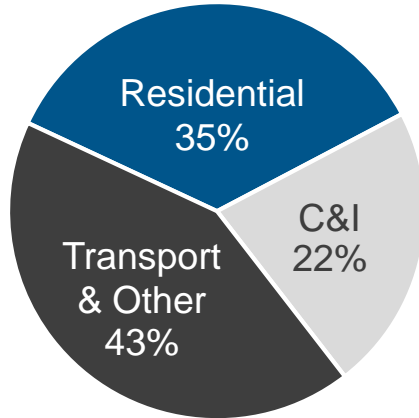
Retail Electric C&I Demand Charges

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

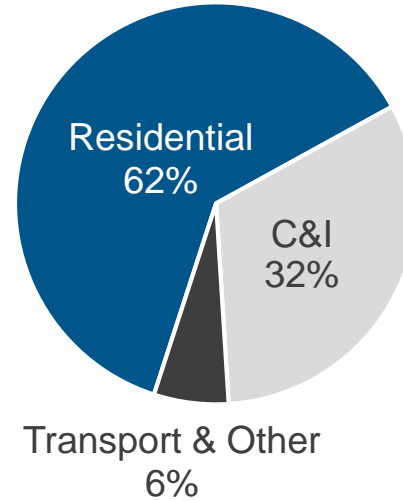
Base revenue excludes fuel and riders

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	Completed	11 Yr / 31 Yr	1.90% / 2.70%
SPS	First Mortgage Bonds	~\$350	Completed	30 Yr	3.15%
NSPW	First Mortgage Bonds	~\$100	Completed	31 Yr	3.05%
NSPM	First Mortgage Bonds	~\$700	Completed	31 Yr	2.60%

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

