



Attractive Total Return Opportunity

Kansas City - Texas Investor Meetings

February 21-22, 2013

Safe Harbor

This material contains forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including the 2013 EPS 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 do not undertake any obligation to update them to reflect changes that occur after that date. Factors that could cause actual results to differ materially include, but are not limited to: 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; 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 Inc. and its subsidiaries; unusual weather; effects of geopolitical events, including war and acts of terrorism; 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; actions by regulatory bodies impacting our nuclear operations, including those affecting costs, operations or the approval of requests pending before the NRC; financial or regulatory accounting policies imposed by regulatory bodies; availability or cost of capital; employee work force factors; the items described under Factors Affecting Results of Continuing Operations; and the other risk factors listed from time to time by Xcel Energy in reports filed with the SEC, including “Risk Factors” in Item 1A of Xcel Energy Inc.’s Form 10-K for the year ended Dec. 31, 2011, and Item 1A and Exhibit 99.01 to the Quarterly Report on Form 10-Q.

Strategy

- ◆ Obtain stakeholder alignment
- ◆ Invest in our regulated utility businesses
- ◆ Earn a fair return on our utility investments

Successful execution of this strategy allows Xcel Energy to deliver:

- 5-7% EPS growth
- 2-4% dividend growth
- Attractive total shareholder returns

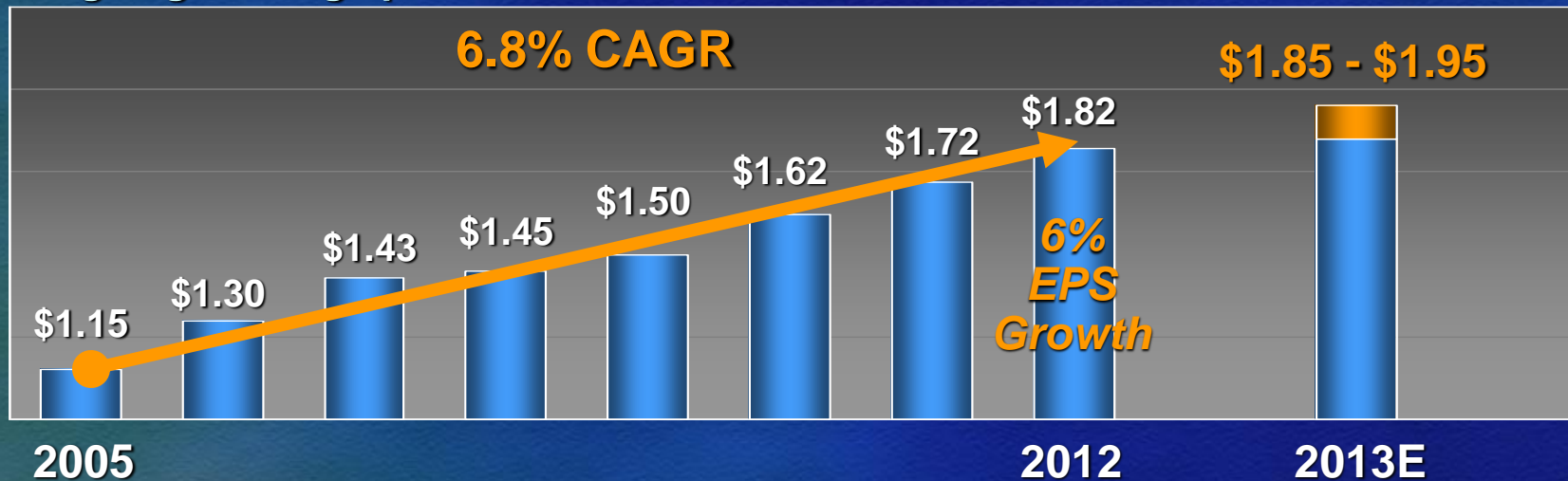
Value Proposition

- ◆ Meeting financial objectives since 2005
- ◆ Robust cap ex program drives rate base growth
- ◆ Diversified service territory
- ◆ History of constructive regulation

Perceived regulatory risk provides attractive entry point for continued total return opportunity

Strong EPS Growth

Ongoing earnings per share *



- ◆ Objective: grow EPS 5-7% annually
- ◆ Delivered EPS in the upper half of guidance range three years in a row

* Reconciliation to GAAP EPS included in appendix

Consistent Dividend Growth

Annualized dividend per share

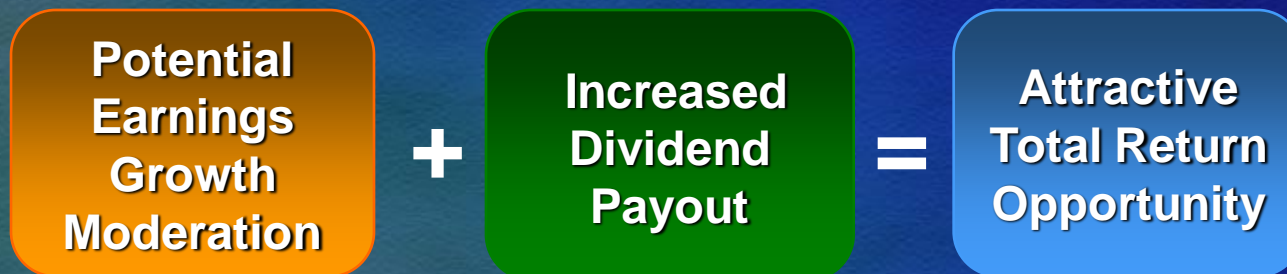


- ◆ Objective: grow the dividend 2-4% annually
- ◆ No target payout ratio given current cap ex program
- ◆ Low payout ratio combined with forecasted increase in cash flow provides us with dividend flexibility

Attractive Total Return Opportunity

Base Case

- ◆ \$13 billion capital forecast \approx XEL's market capitalization
- ◆ Drives rate base growth of:
 - 6-7% through 2014
 - 5% through 2017
- ◆ EPS growth could moderate beyond 2014
- ◆ Stronger cash flows and lower financing needs would allow for higher dividend growth as cap ex winds down



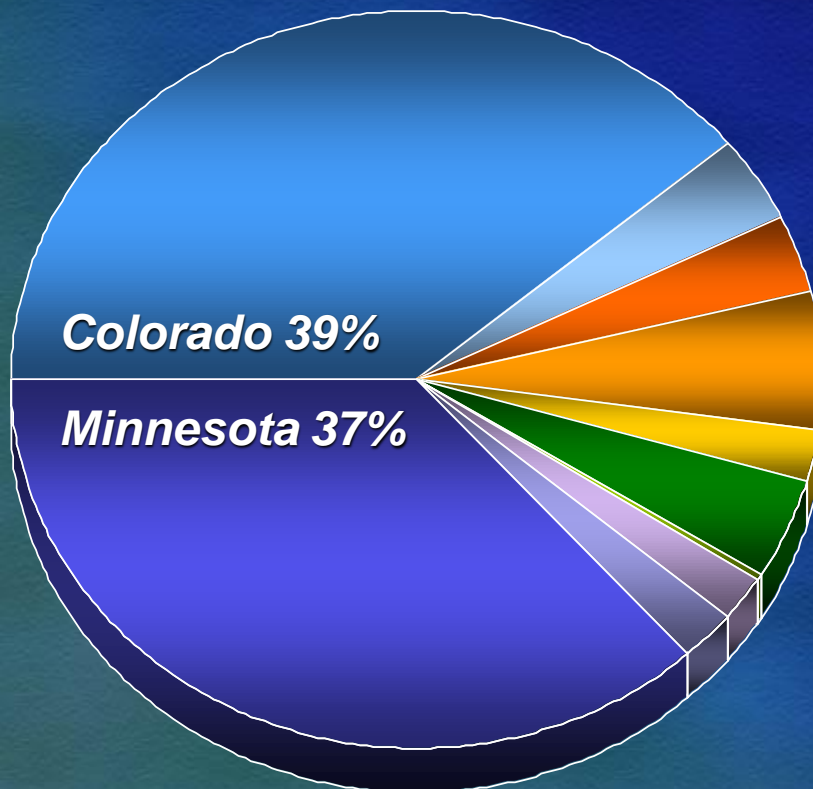
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Potential Case

- ◆ Base forecast doesn't include several potential large projects currently under consideration
- ◆ Additional projects would increase rate base growth
- ◆ Could extend current EPS and dividend growth rates



Rate Base Diversity



Based on 2011 rate base

Colorado Wholesale 4%

SPS Wholesale 3%

Texas 6%

New Mexico 2%

Wisconsin 5%

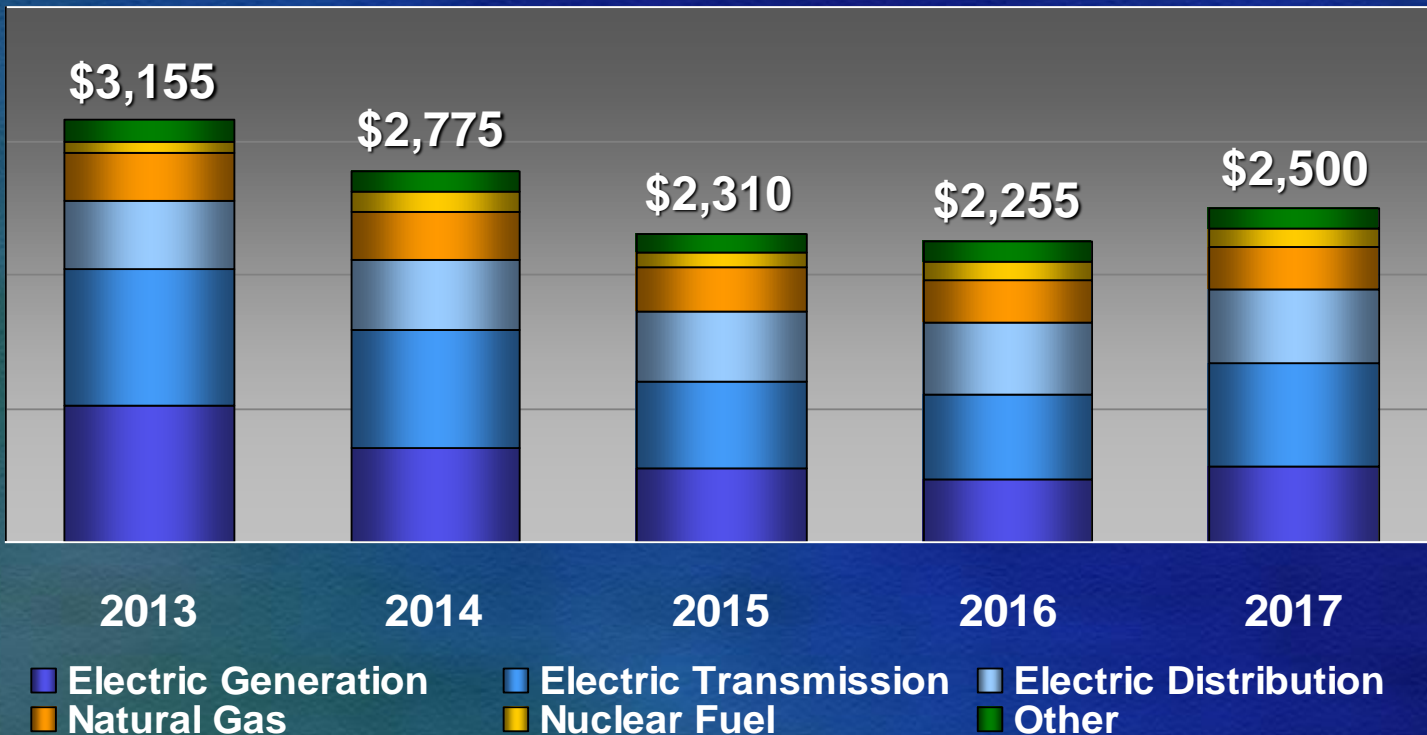
Michigan 0.1%

South Dakota 2%

North Dakota 2%

Capital Investment Pipeline

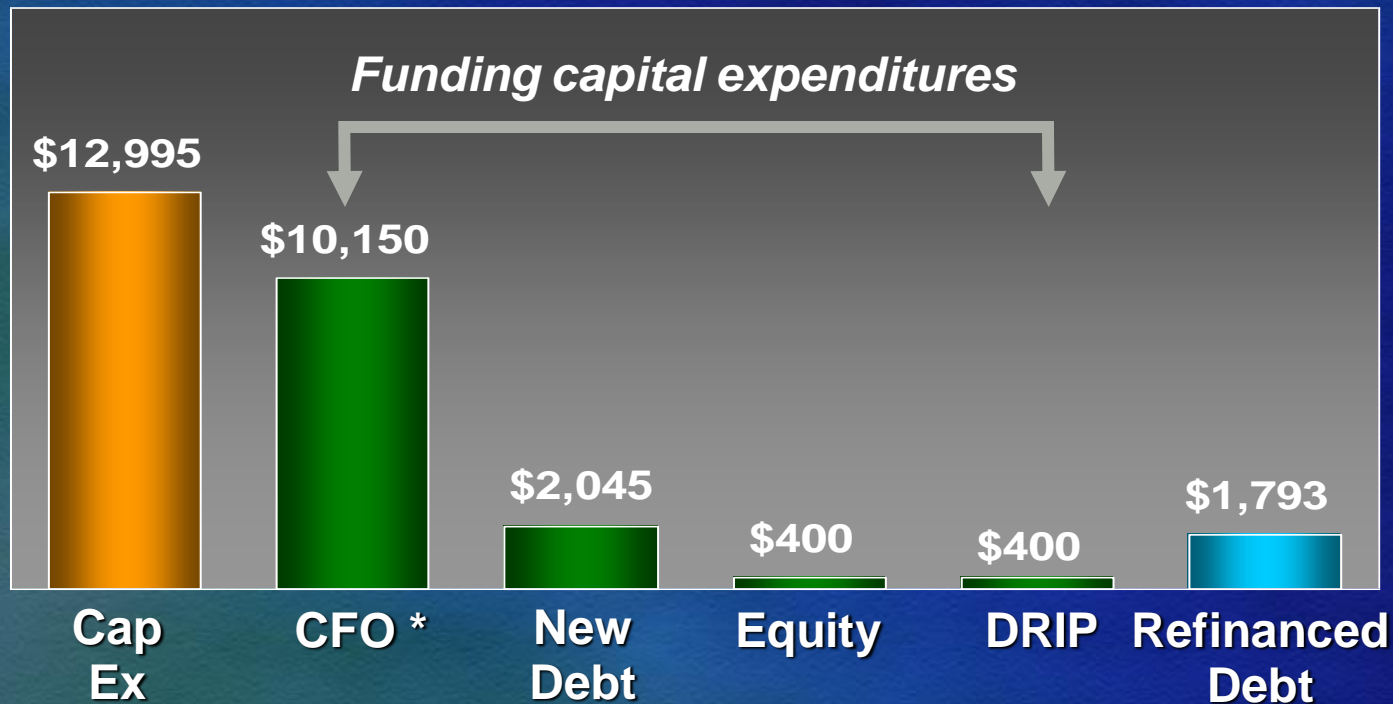
Dollars in millions



Financing Plan 2013-2017

Modest Financing Needs

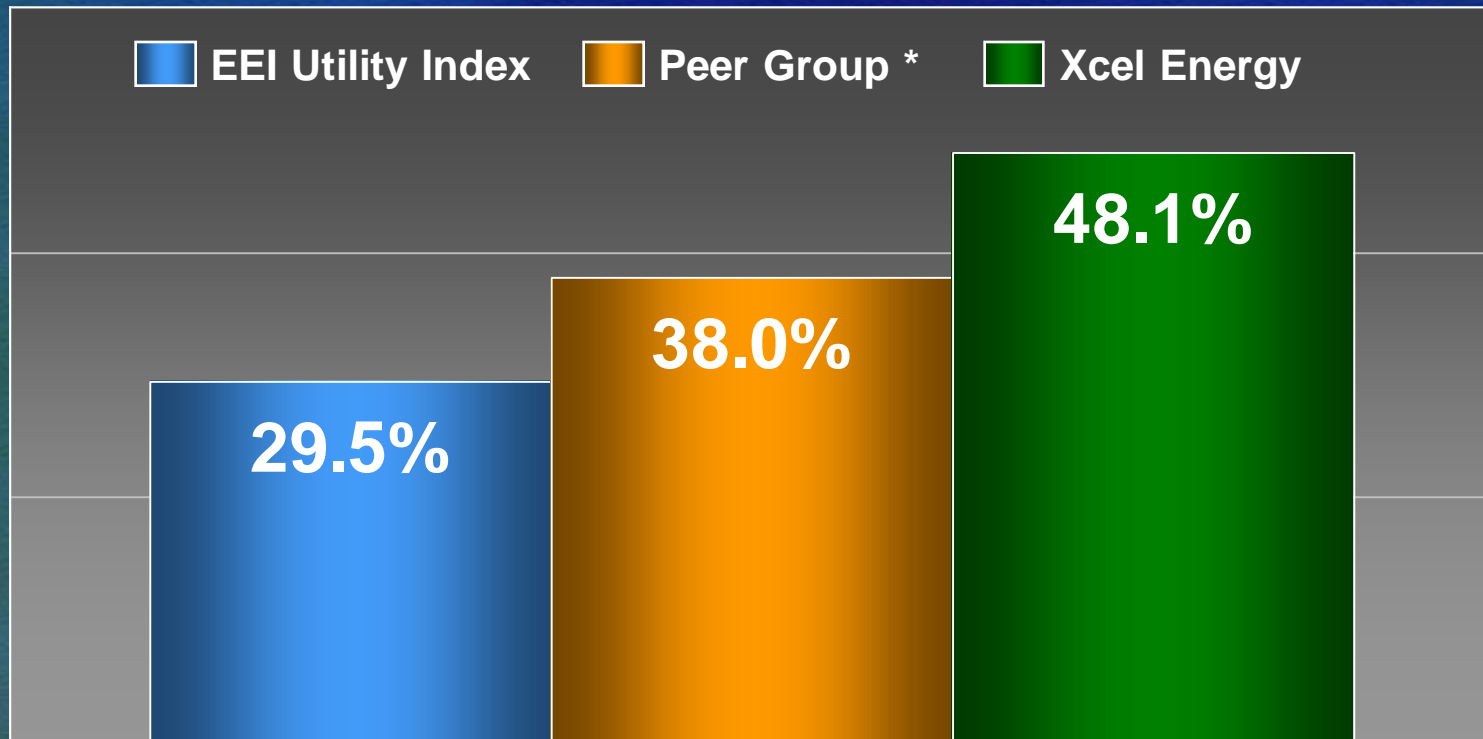
Dollars in millions



* *Cash from operations, net of dividend and pension funding*

Attractive Total Shareholder Return

Five-Year Total Shareholder Return, as of 12/31/12



* Peer group: LNT, AEE, AEP, CNP, CMS, ED, DUK, PNW, PCG, SCG, SO and WEC

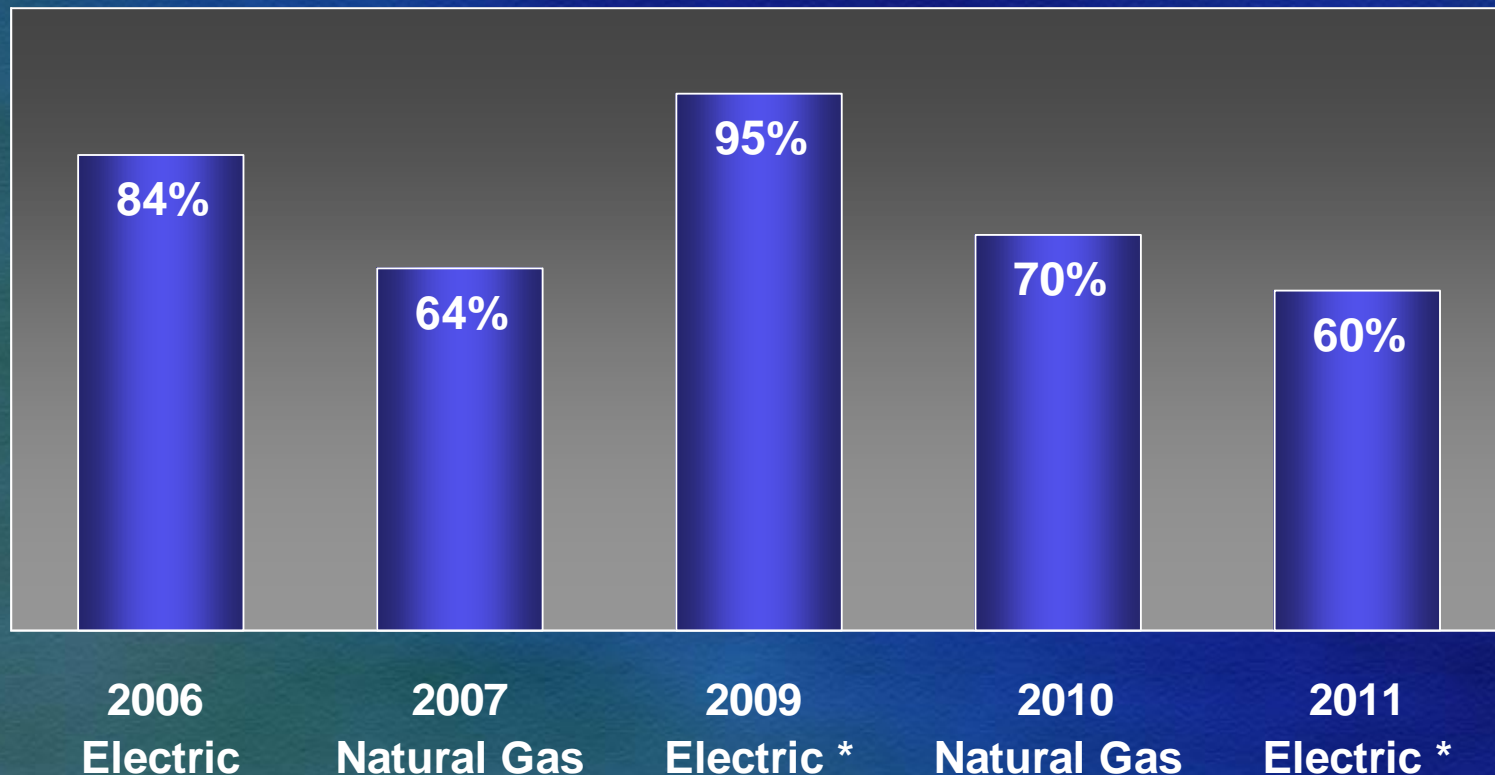
Summary of Pending Rate Cases

Rate Case	<i>Requested</i>			Rates Anticipated to be Effective
	Rate Increase (millions)	ROE	Equity Ratio	
Minnesota Electric	\$285	10.60%	52.56%	Interim 2013 Q1
Texas Electric	\$90.2	10.65%	52.00%	2013 Q3
Colorado Gas	\$70.5*	10.50%	56.00%	2013 Q3
New Mexico Electric	\$45.9	10.65%	53.89%	2014 Q1
South Dakota Electric	\$19.4	10.65%	52.89%	Interim 2013 Q1
North Dakota Electric	\$16.9	10.60%	52.56%	Interim 2013 Q1

* PSCo filed a request to increase natural gas rates \$48.5 million in 2013 with step increases of \$9.9 million in 2014 and \$12.1 million in 2015. PSCo is requesting an extension of its PSIA rider to recover the costs of accelerated pipeline integrity efforts. The PSIA would increase by \$26.8 million in 2014 with a subsequent increase of \$24.7 million in 2015 in addition to the proposed increase in base rates.

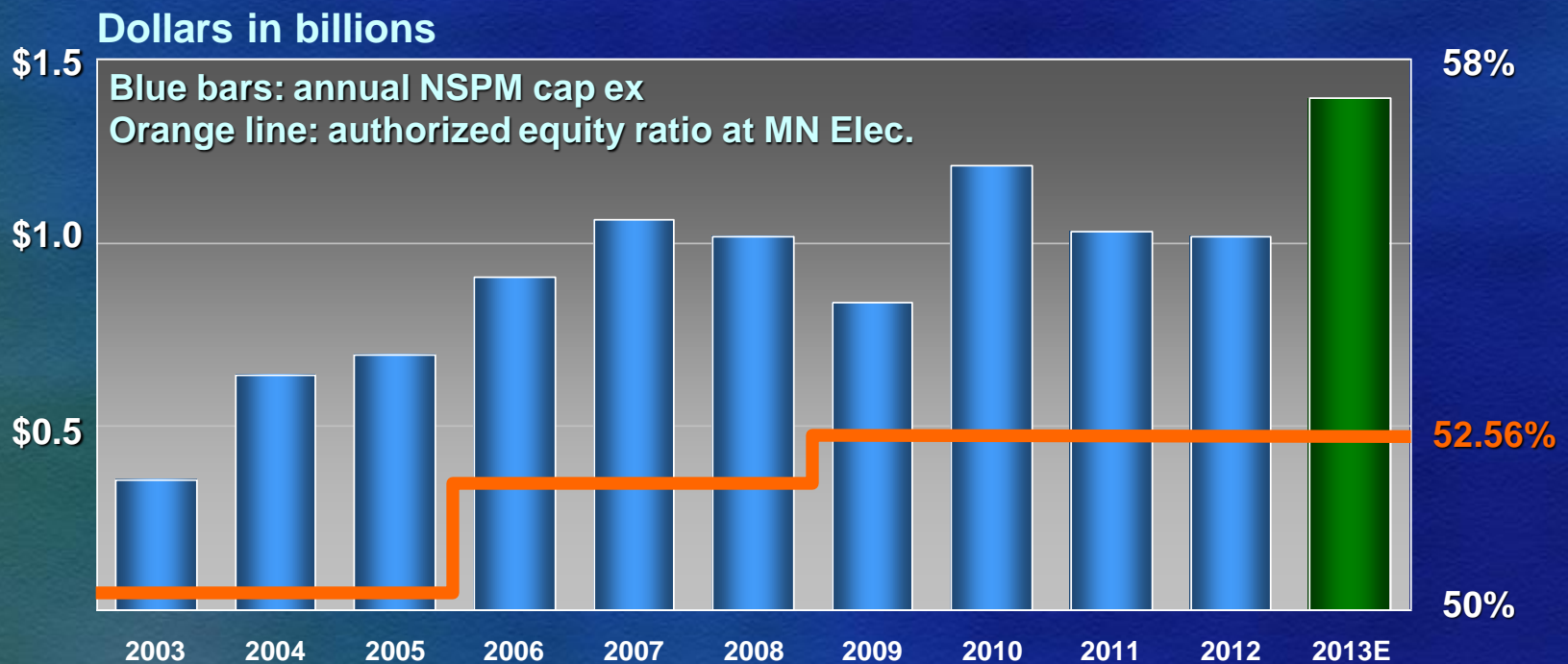
Constructive Regulation: Minnesota

Percentage of rate request granted



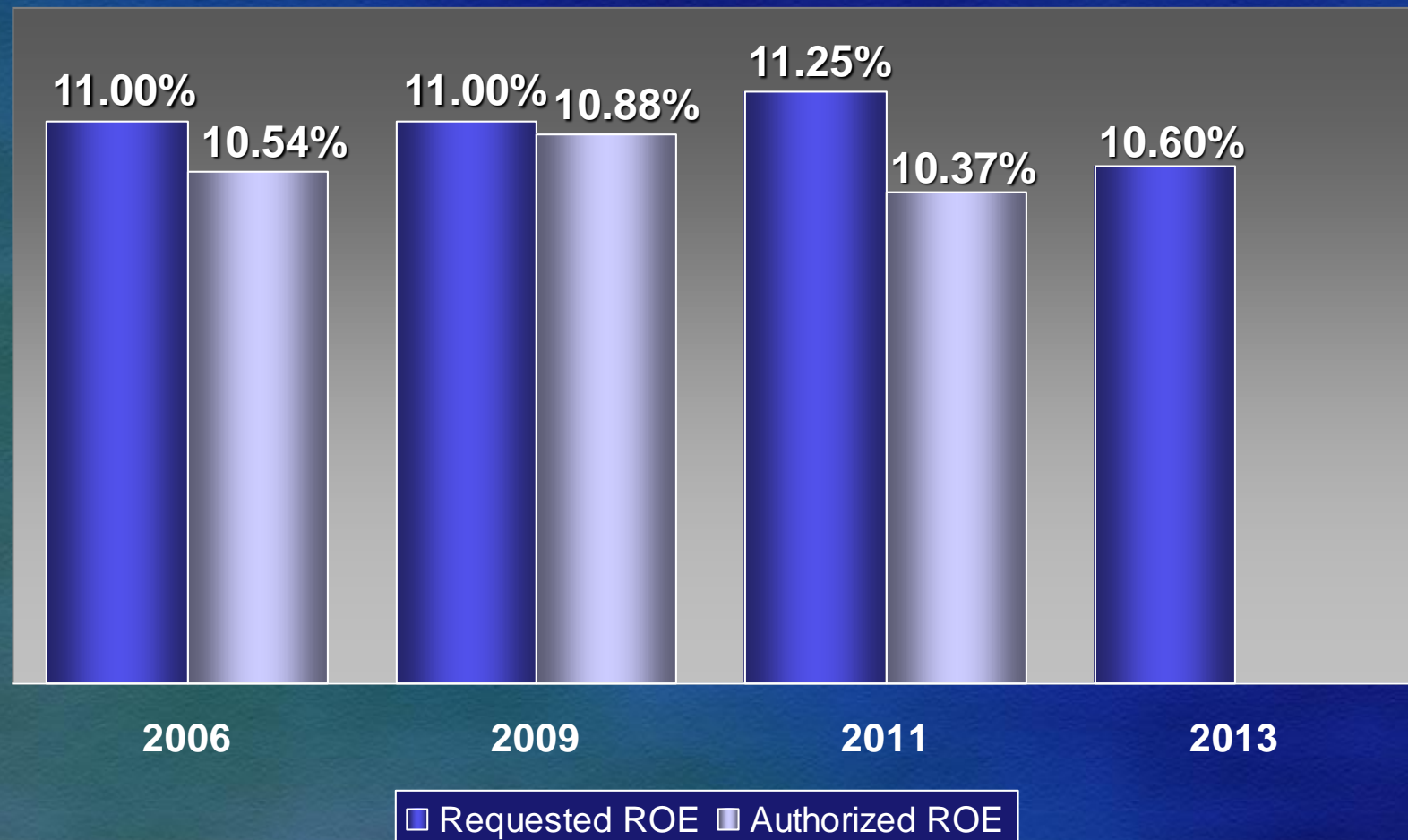
** Percentage of request after adjustment for reduction in depreciation*

Equity Ratio Supports Growing Cap Ex



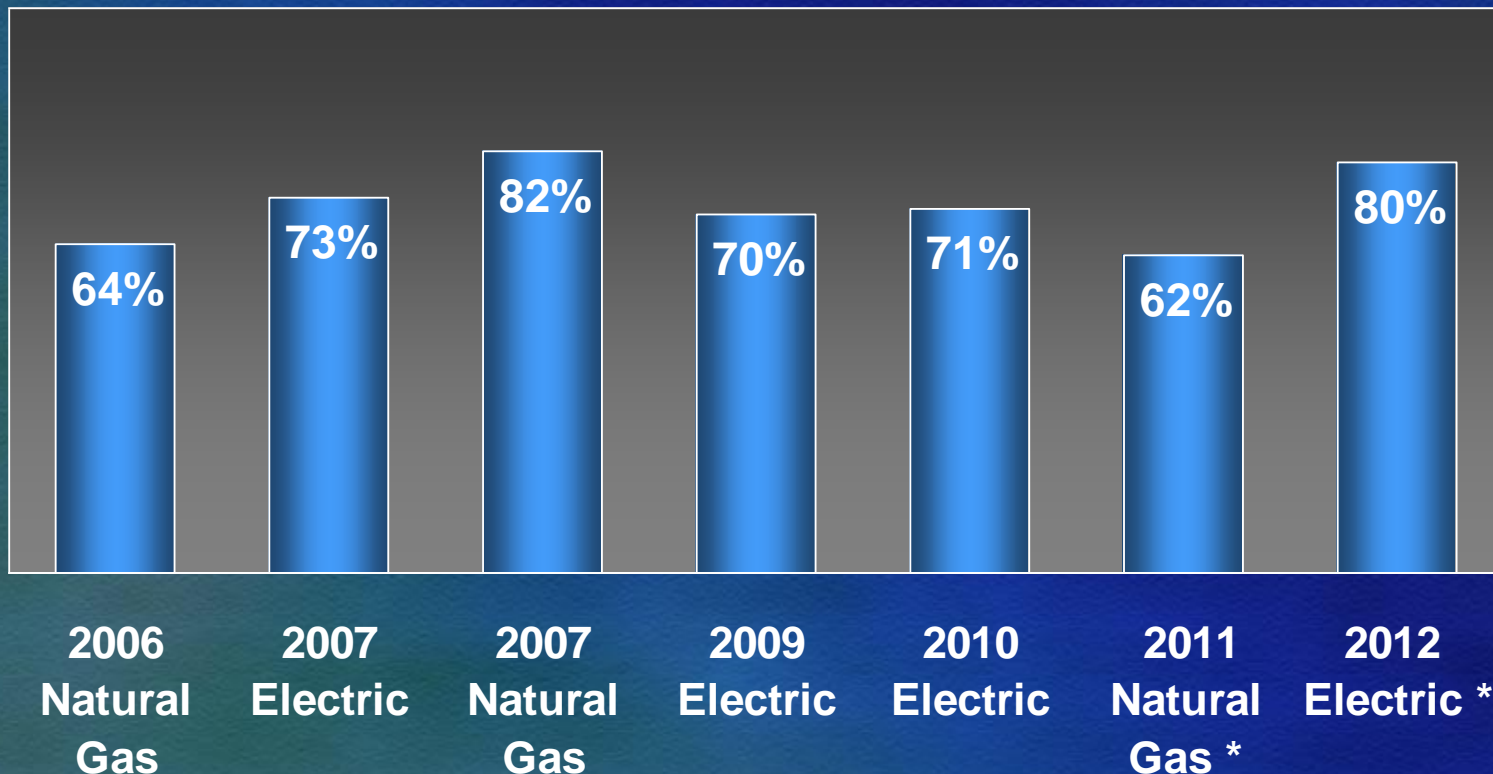
- ◆ NSPM targets an equity ratio of 52-53%, which supports current A- credit rating and is consistent with peer group capital structures
- ◆ The MPUC has approved NSPM capital structure in six rate cases since 2005
- ◆ NSPM corporate credit rating at S&P has improved from BBB to A-
- ◆ Improvements in credit ratings enabled NSPM to issue low cost debt to fund an increasing capital program, providing long-term benefit to customers

Requested vs. Authorized ROEs Minnesota Electric



Constructive Regulation: Colorado

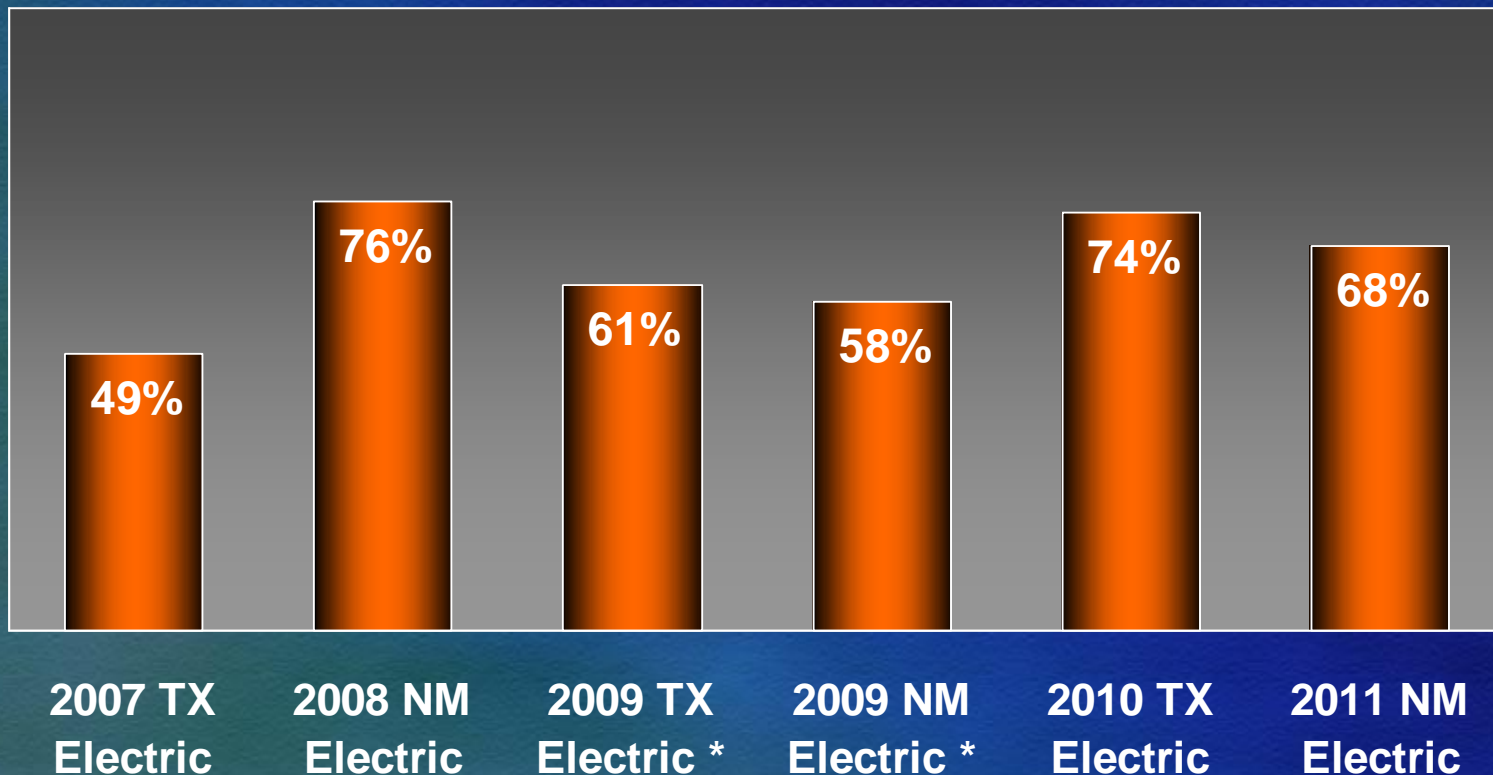
Percentage of rate request granted



** Does not reflect adjustment for reduction in depreciation*

Constructive Regulation: SPS

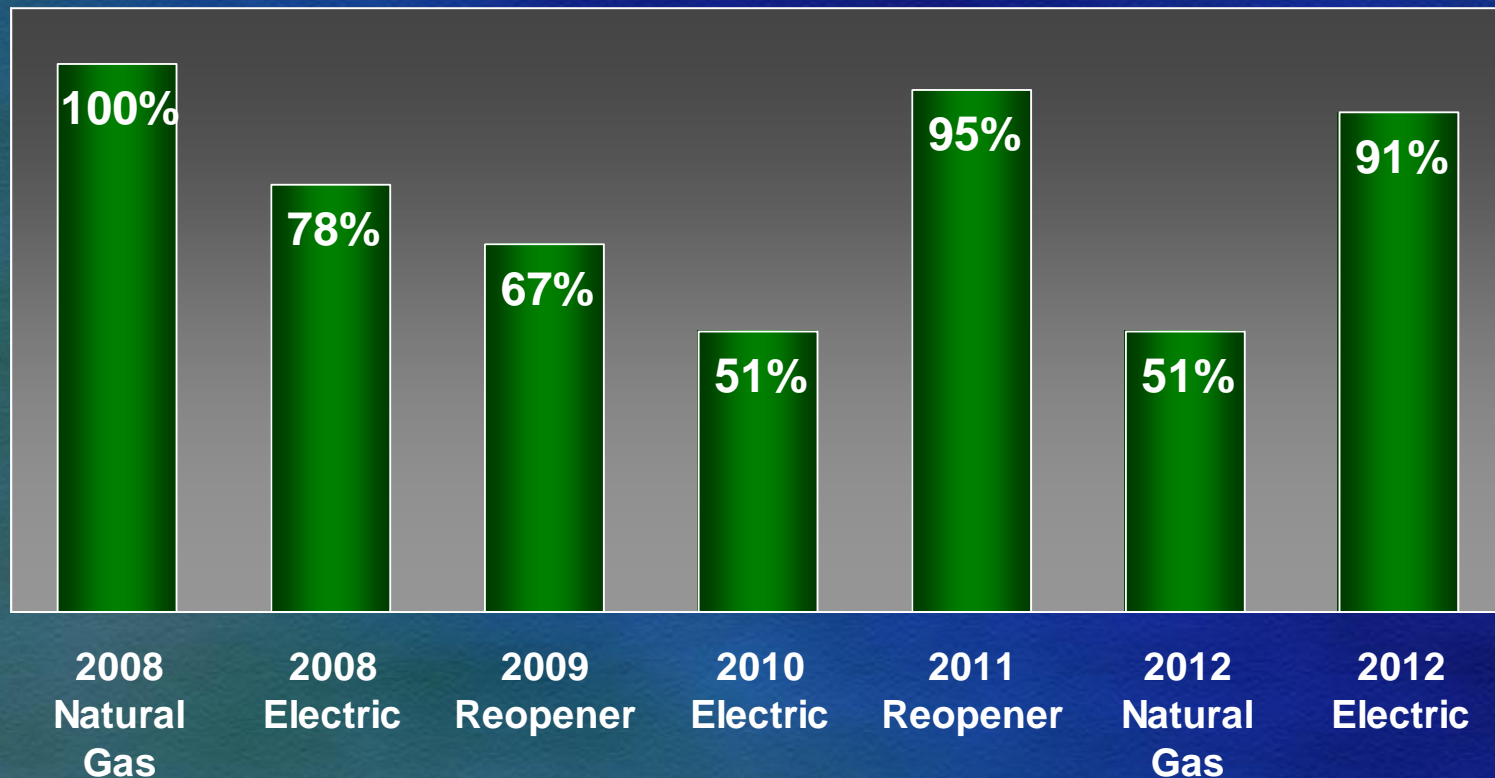
Percentage of rate request granted



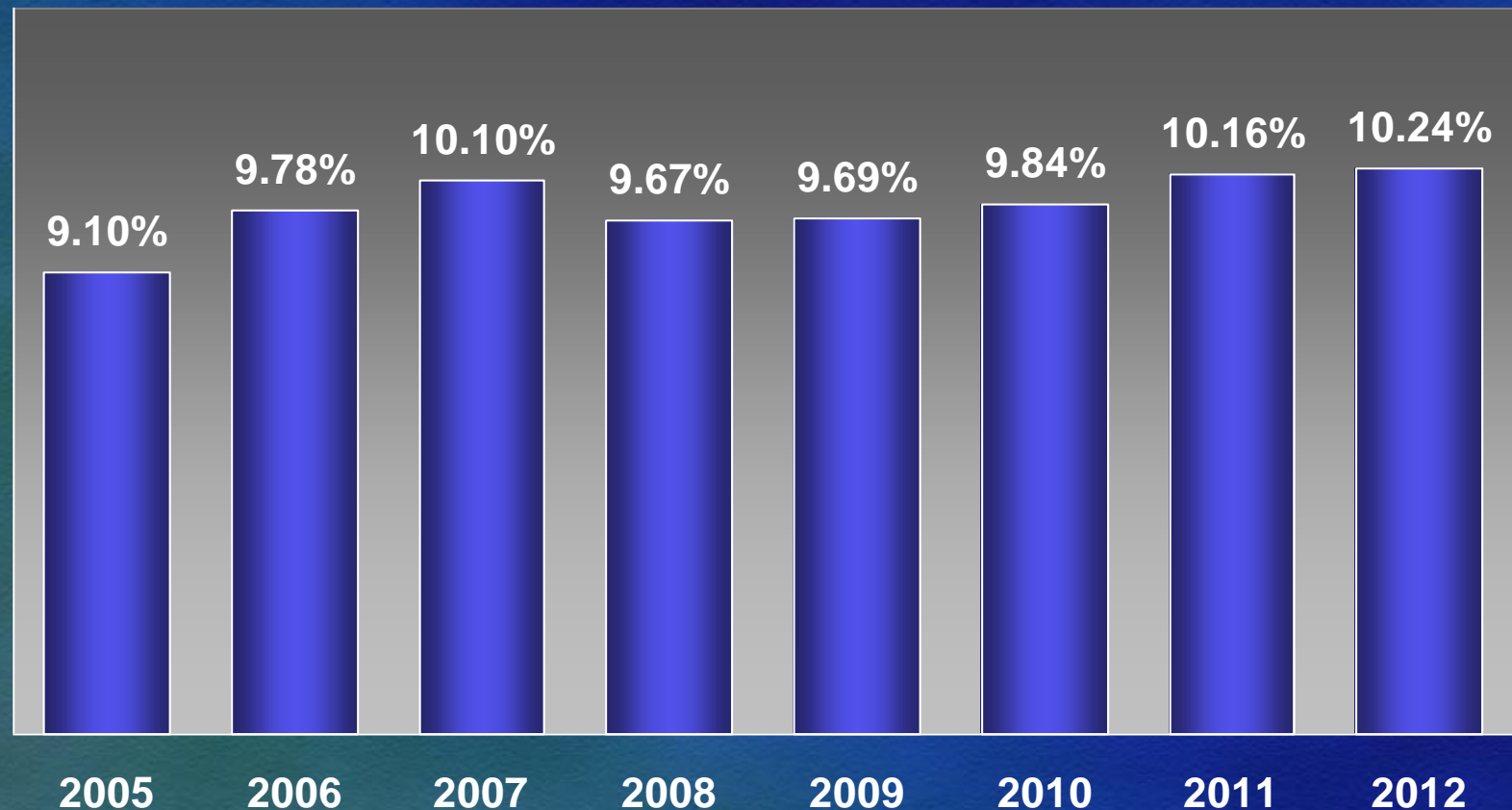
** Does not reflect adjustment for reduction in depreciation*

Constructive Regulation: Wisconsin

Percentage of rate request granted



Steady Improvement Ongoing ROE



Attractive Total Return

- ◆ Established track record
- ◆ Robust capital investment plan
- ◆ Consistent EPS and dividend growth
- ◆ Constructive regulation
- ◆ Commitment to increasing shareholder value



Appendix

Reconciliation – Ongoing EPS to GAAP

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Ongoing EPS	\$1.15	\$1.30	\$1.43	\$1.45	\$1.50	\$1.62	\$1.72	\$1.82
PSRI-COLI/ Prescript. Drug Tax Benefit	<u>\$0.05</u>	<u>\$0.05</u>	<u>\$(0.08)</u>	<u>\$0.01</u>	<u>\$(0.01)</u>	<u>\$(0.01)</u>	<u>\$0.00</u>	<u>\$0.03</u>
Cont. Ops	\$1.20	\$1.35	\$1.35	\$1.46	\$1.49	\$1.61	\$1.72	\$1.85
Disc. Ops	<u>\$0.03</u>	<u>\$0.01</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$(0.01)</u>	<u>\$0.01</u>	<u>\$0.00</u>	<u>\$0.00</u>
GAAP EPS	\$1.23	\$1.36	\$1.35	\$1.46	\$1.48	\$1.62	\$1.72	\$1.85

Xcel Energy's management believes that ongoing earnings provide a meaningful comparison of earnings results and is representative of Xcel Energy's fundamental core earnings power. 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.

2013 Earnings Guidance & Assumptions

- ◆ Xcel Energy's earnings guidance is \$1.85-\$1.95 per share
- ◆ Key assumptions:
 - Constructive outcomes in all rate case and regulatory proceedings
 - Normal weather patterns are experienced for the year
 - W/A retail electric sales projected to grow $\approx 0.5\%$
 - W/A retail firm natural gas sales projected to decline $\approx 1\%$
 - O&M expenses are projected to increase $\approx 4\text{-}5\%$
 - Depreciation expense is projected to increase \$75-\$85 million
 - Property taxes are projected to increase \approx \$35-\$40 million
 - Interest expense projected to decrease \$30-\$35 million
 - AFUDC-equity is projected to increase \approx \$15-\$20 million
 - The effective tax rate is projected to be $\approx 34\text{-}36\%$
 - CSE projected to be $\approx 490\text{-}500$ million shares

Diversified & Fully Regulated Utility



NSP-Minnesota (NSPM)
35-45% of earnings

NSP-Wisconsin (NSPW)
5-10% of earnings

**Public Service Co.
of Colorado (PSCo)**
45-55% of earnings

**Southwestern Public
Service (SPS)**
5-15% of earnings

Operate in 8 States

Combination Utility

90% Electric

10% Natural Gas

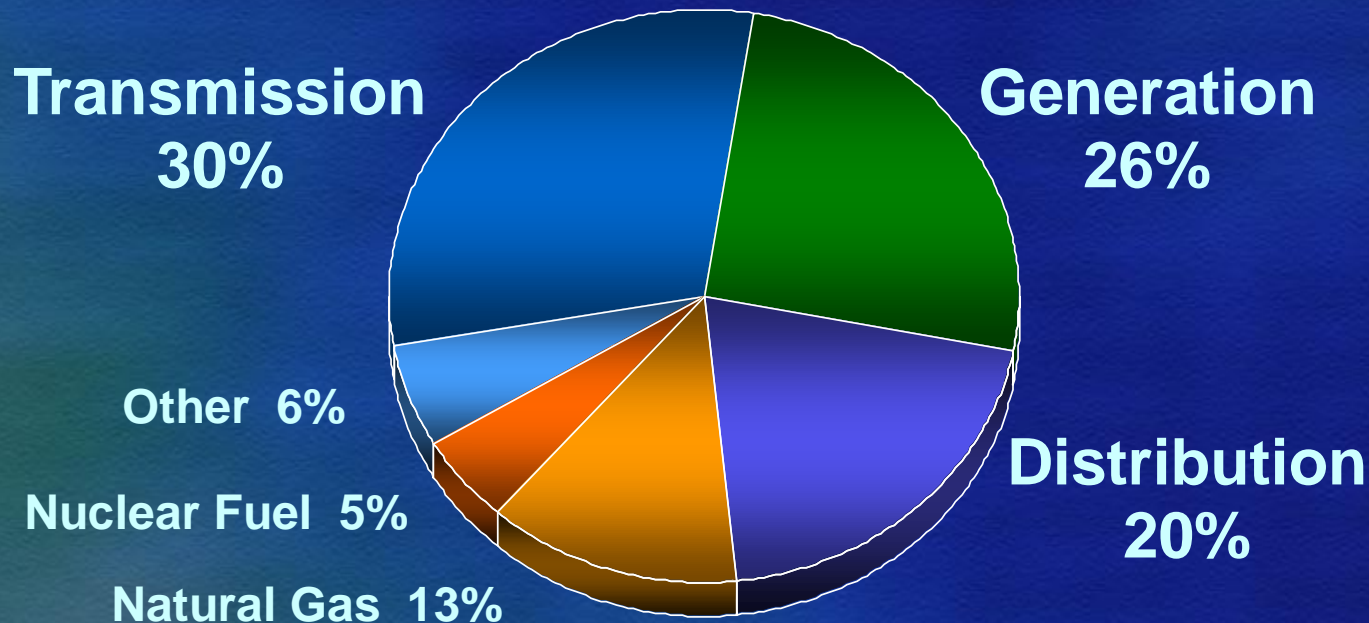
Customers

3.4 million electric

1.9 million natural gas

2012 Annualized Dividend = \$1.08 per share
2013 EPS Guidance = \$1.85 - \$1.95 per share

Capital Investment 2013-2017



\$13 Billion Cap Ex Plan

Drives 6-7% rate base growth through 2014
Drives 5% rate base growth through 2017

Capital Expenditures by Major Project

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Other Cap Ex	\$1,710	\$1,610	\$1,555	\$1,600	\$1,755
CapX2020	350	295	140	0	0
Clean Air Clean Jobs Act	345	235	90	15	0
Life Ext and Monti EPU	270	50	60	50	50
Other Major Transmission	245	260	175	320	415
Gas Pipeline Replacements	140	170	190	130	135
Nuclear Fuel	<u>95</u>	<u>155</u>	<u>100</u>	<u>140</u>	<u>145</u>
Total	\$3,155	\$2,775	\$2,310	\$2,255	\$2,500

Capital Expenditures by Function

Dollars in millions

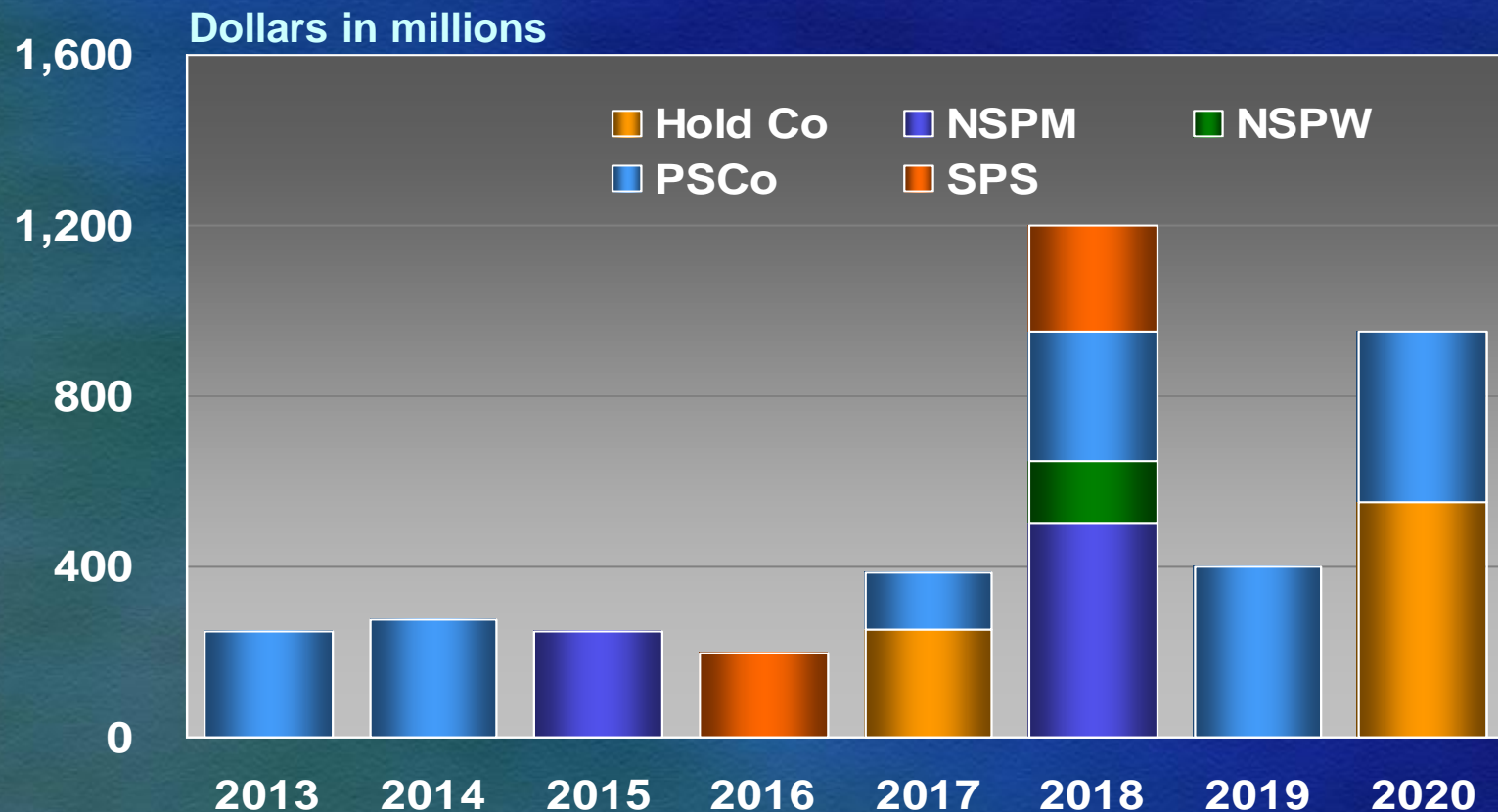
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Transmission	\$ 1,010	\$ 870	\$ 650	\$ 635	\$770
Generation	1,025	710	550	465	570
Distribution	515	525	525	535	545
Natural Gas	355	365	335	325	320
Nuclear Fuel	95	155	100	140	145
Other	<u>155</u>	<u>150</u>	<u>150</u>	<u>155</u>	<u>150</u>
Total	\$3,155	\$2,775	\$2,310	\$2,255	\$2,500

Capital Expenditures by Company

Dollars in millions

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
NSPM	\$1,395	\$1,135	\$910	\$925	\$1,080
PSCo	1,075	1,000	850	800	840
SPS	490	400	305	300	345
NSPW	180	240	245	230	235
WYCO	15	0	0	0	0
Total	<u>\$3,155</u>	<u>\$2,775</u>	<u>\$2,310</u>	<u>\$2,255</u>	<u>\$2,500</u>

Manageable Debt Maturities



Pension Funding Status

- ◆ Pension contribution of \$191 million in January 2013
 - Increased funding status to $\approx 86\%$
 - Completes 2013 planned contributions
 - Year end 2012 pension funding status $\approx 81\%$
- ◆ Current pension assumptions
 - Discount rate = 4.00%
 - Long-term rate of return = 6.88%

Financial Strength

45% equity ratio as of December 31, 2012

\$2.45 billion credit line, maturity extended to July 2017

	Secured <u>Fitch/Moody's/S&P</u>	Unsecured <u>Fitch/Moody's/S&P</u>
Hold Co.	—/—/—	BBB+/Baa1/BBB+
NSPM	A+/A1/A	A/A3/A-
NSPW	A+/A1/A	A/A3/A-
PSCo	A/A2/A	A-/Baa1/A-
SPS	A-/A3/A-	BBB+/Baa2/A-

Financing Plan

- ◆ **Planned 2013 first mortgage bond issuances:**
 - NSP-Minnesota – approximately \$400 million
 - PSCo – approximately \$500 million
 - SPS – approximately \$100 million
- ◆ **Planned equity financing**
 - We project the need for \$400 million of equity (excluding DRIP) through 2017
 - Flexibility related to the timing
 - Would consider a variety of equity issuance mechanisms

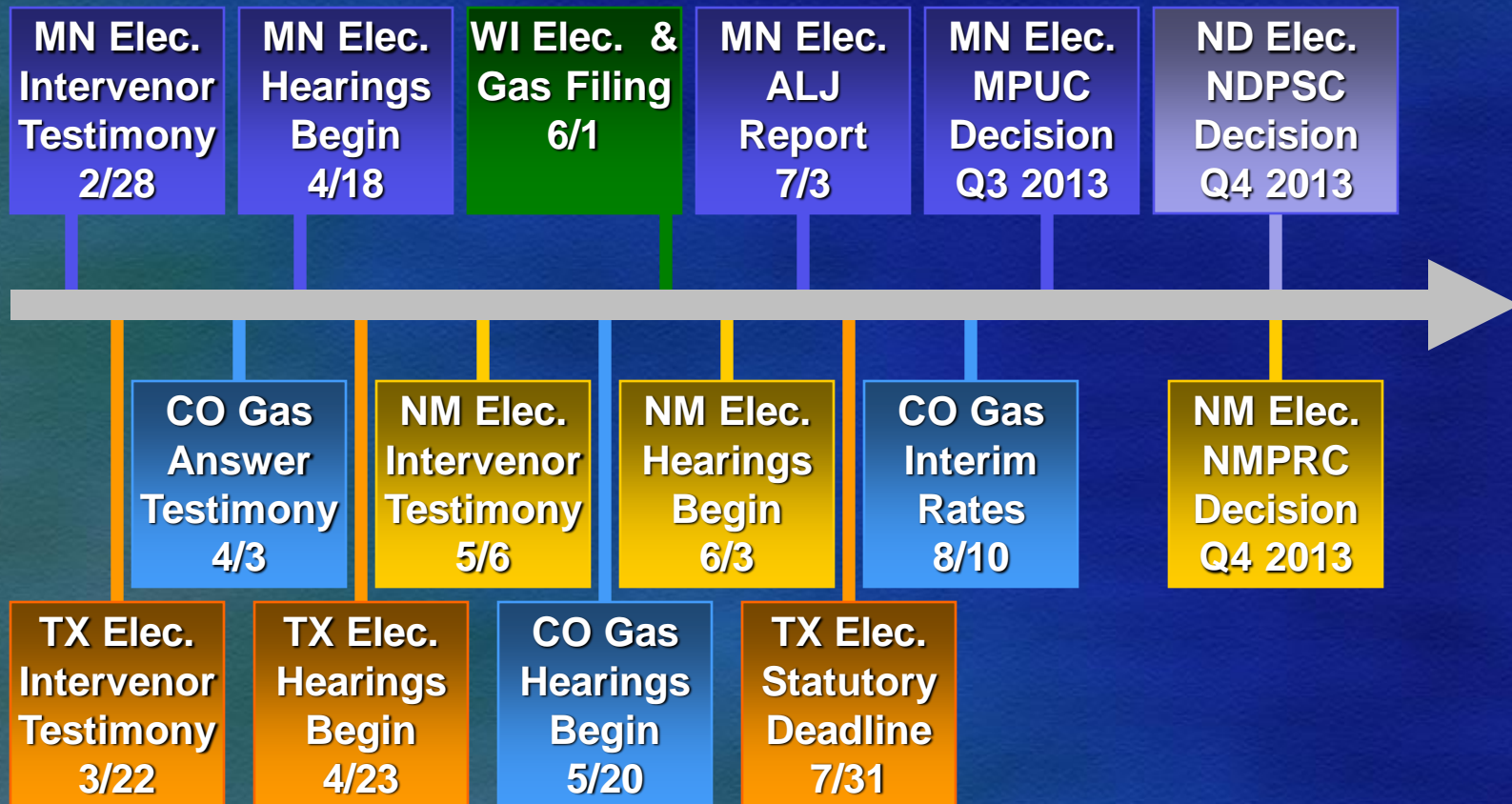
Financing plans are subject to change, depending on capital expenditures, internal cash generation, market conditions and other factors.

Achieve Authorized Returns

	2011 Rate Base	2011 Auth. ROE	2011 W/A Earned ROE	Rate Cases
MN Elec.	\$5,770	10.37%	9.08%	2013
MN Gas	429	10.09	10.08	
ND Elec.	323	10.40	9.05	2013
ND Gas	42	10.75	13.58	
SD Elec.	355	Blackbox	3.90	2012, 2013
CO Elec.	5,391	10.50	8.75 *	2012 MYP
CO Gas	1,144	10.10	8.78	2013
WI Elec.	672	10.40	10.32	2012, 2013
WI Gas	83	10.40	5.95	2012, 2013
TX Elec.	1,060	Blackbox	9.25 *	2012, 2013
NM Elec.	349	Blackbox	9.35 *	2012, 2014
Wholesale	1,251	N/A	N/A	

* ROE's are actual earned, not weather normalized

2013 Regulatory Timeline



Minnesota Electric Rate Case

- ◆ Seeking 2013 electric rate increase of \$285 million (10.7%)
 - 2013 forecast test year
 - ROE of 10.6%
 - Equity ratio of 52.56%
 - Electric rate base of \$6.3 billion
- ◆ Requested \$251 million interim rates effective Jan. 1, 2013
- ◆ Anticipate decision in third quarter 2013
- ◆ Primary drivers include:
 - Capital investment (\$170 million)
 - Increased property taxes (\$40 million)
 - Lower forecasted sales (\$75 million)

Upcoming key dates: Intervenor testimony - 2/28/13, ALJ Report – 7/3/13

North Dakota Rate Case

- ◆ Seeking 2013 electric rate increase of \$16.9 million (9.25%)
 - Based on a 2013 forecast test year
 - ROE of 10.6%
 - Electric rate base of \$377.6 million
 - Equity ratio of 52.56%
- ◆ Interim rate increase of \$14.7 million, subject to refund, effective on Feb. 16, 2013.
- ◆ A final decision on the case is anticipated in the third quarter of 2013

Upcoming key dates: Procedural schedule has not been determined

South Dakota Rate Case

- ◆ Seeking 2013 electric rate increase of \$19.4 million (11.5%)
 - 2011 historic test year adjusted for certain known and measureable changes for 2012 and 2013
 - ROE of 10.65% and equity ratio of 52.89%
 - Average electric rate base of \$367.5 million
- ◆ Interim rate increase of \$19.4 million, subject to refund, went into effect on January 1, 2013

Upcoming key dates: Schedule delayed to allow for settlement discussions

Colorado Gas Rate Case

- ◆ Seeking to increase natural gas rates \$48.5 million in 2013, \$9.9 million in 2014 and \$12.1 million in 2015
- ◆ Requesting extension of PSIA rider (in addition to rate increase request)
 - Increase of \$26.8 million in 2014
 - Increase of \$24.7 million in 2015
- ◆ Proposing stay-out provision and earnings test through 2015.
- ◆ Seeking to increase retail steam rates by \$1.6 million in 2013, \$0.9 million in 2014 and \$2.3 million in 2015
- ◆ Both requests are based on a 2013 forecast test year
- ◆ ROE of 10.5%
- ◆ Rate base of \$1.3 billion for natural gas and \$21 million for steam
- ◆ Equity ratio of 56%
- ◆ Final rates are expected to be effective in the third quarter of 2013

Upcoming key dates: Answer testimony - 4/3/13, Hearings – 5/20/13

Texas Rate Case

- ◆ Seeking 2013 electric rate increase of \$90.2 million (12.0%)
 - Based on a historic test year (ended June 2012) adjusted for known and measurable changes
 - ROE of 10.65%
 - Equity ratio of 52%
 - Electric rate base of \$1.15 billion
- ◆ Anticipate a decision and final rates in 2013 Q3
- ◆ Procedural schedule postponed to accommodate settlement discussions beginning February 20, 2013

Schedule delayed to allow for settlement discussions

Upcoming key dates: Intervenor testimony – 3/22/13, Hearings – 4/23/13

New Mexico Rate Case

- ◆ Seeking 2014 electric rate increase of \$45.9 million (14.4%). The \$45.9 million request includes \$21.8 million to be recovered through renewable energy rider.
 - Based on a 2014 forecast test year
 - ROE of 10.65%
 - Equity ratio of 53.89%
 - Electric rate base of \$479.8 million
- ◆ An NMPRC decision is anticipated in the fourth quarter of 2013 with the implementation of final rates anticipated in the first quarter of 2014

Upcoming key dates: Intervenor testimony 5/6/13, hearings begin 6/3/13