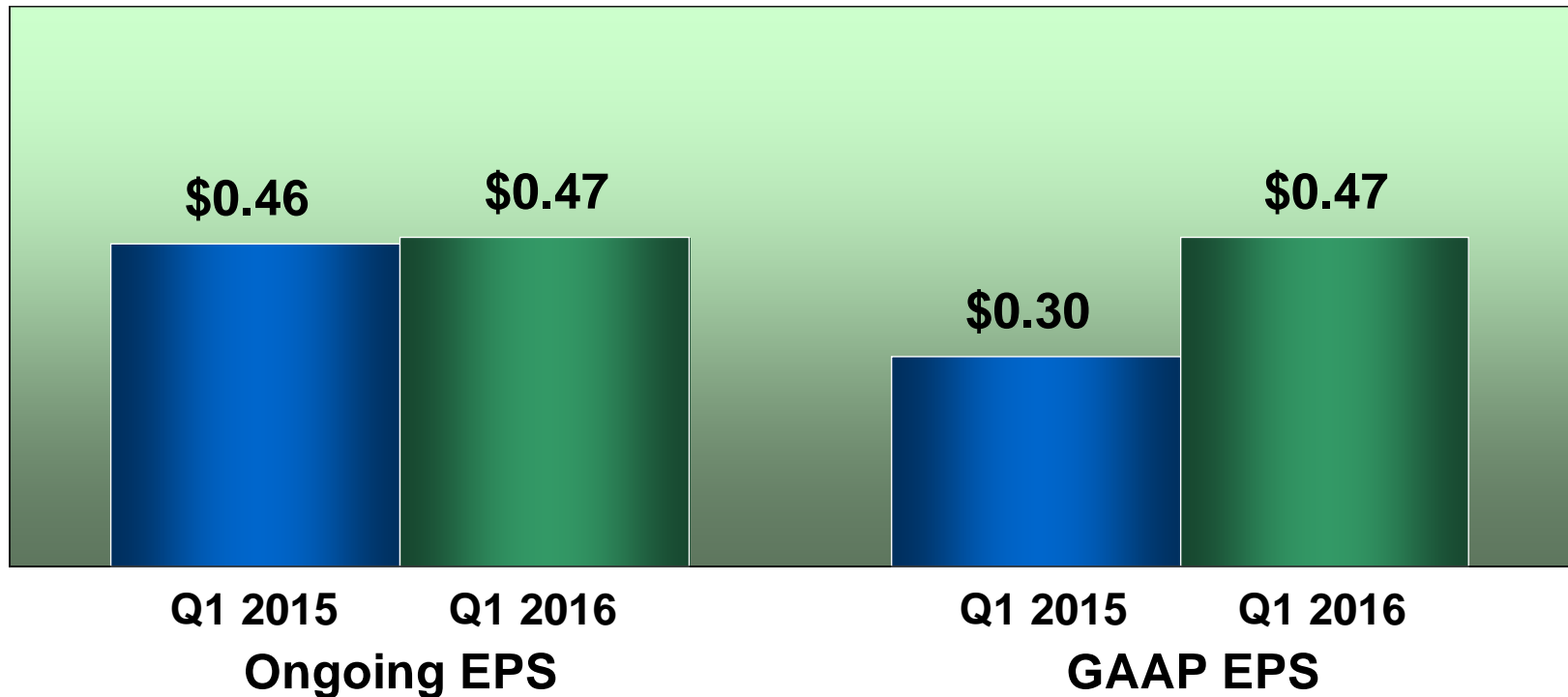




First Quarter 2016 Earnings Release Presentation

May 9, 2016

EPS Results



First quarter 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

	<u>First Quarter</u>	
	<u>2016</u>	<u>2015</u>
PSCo	\$ 0.23	\$ 0.22
NSP-Minnesota	0.19	0.16
SPS	0.04	0.04
NSP-Wisconsin	0.03	0.05
Equity earnings	<u>0.02</u>	<u>0.01</u>
Regulated utility	0.51	0.48
Holding company and other	<u>(0.03)</u>	<u>(0.02)</u>
Total Ongoing diluted EPS	\$ 0.47	\$ 0.46
Loss on Monticello LCM/EPU Project	<u>-</u>	<u>(0.16)</u>
Total GAAP diluted EPS	\$ 0.47	\$ 0.30

Amounts in the table may not add due to rounding

2016 Highlights

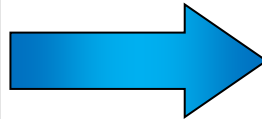
- Increased dividend 6.3%
- Named #1 utility wind provider by AWEA for 12th consecutive year
- Recipient of EPA's Climate Leadership Award
- Recognized as a Best for Vets Employer
- Reached settlement in New Mexico rate case
- Appointed Bob Frenzel Executive Vice President and CFO
- Will be filing for ownership of 600 MW of renewables in Colorado

Xcel Energy Strategic Plan

Objectives

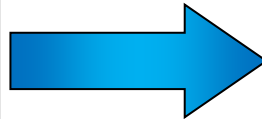
Measurable Results

Improve Utility Performance



- Close ROE gap 50 bps by 2018
- Derive 75% of revenue from MYPs

Drive Operational Excellence



- Manage workforce transition through technology and standardization
- Limit annual O&M growth to 0% – 2%
- Maintain best-in-class reliability

Improve Customer Experience



- Offer more energy options
- Exceed customer expectations

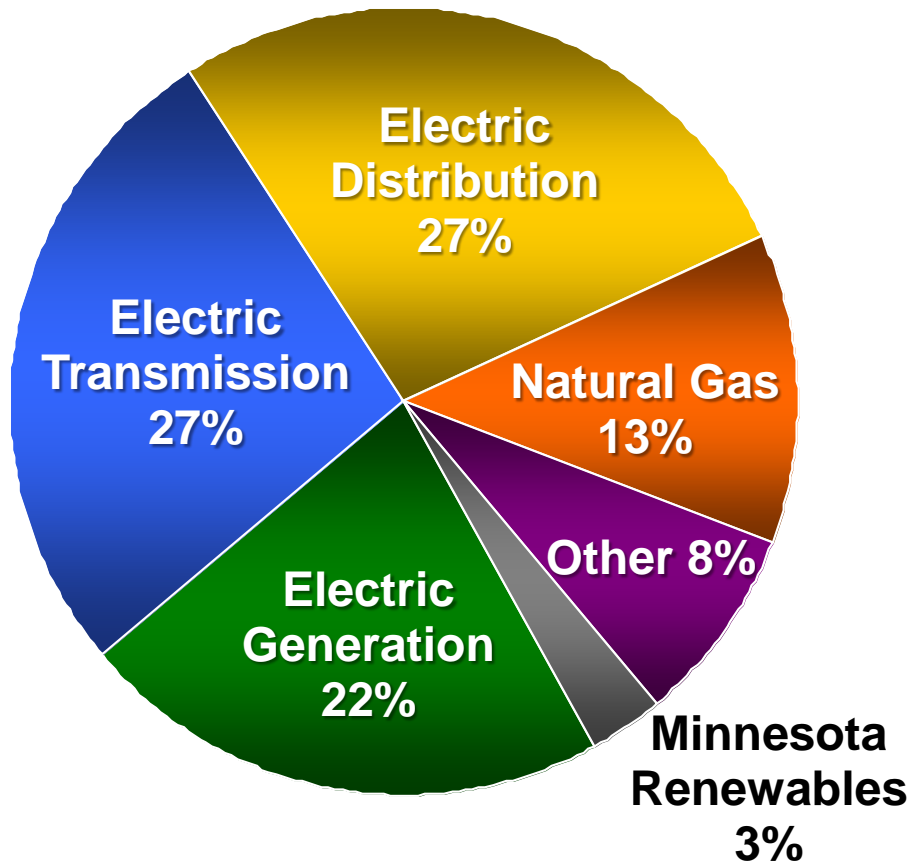
Invest for the Future



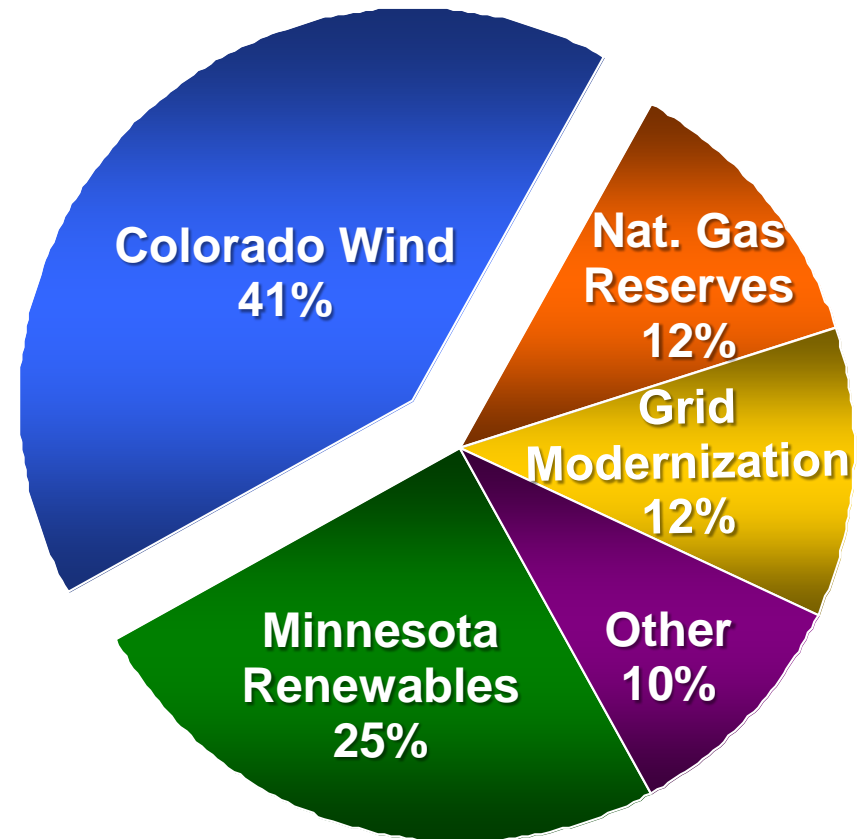
- Base cap ex – rate base CAGR = 3.7%
- Upside cap ex – rate base CAGR = 5.5%

Investing for the Future

Base Capital Expenditures \$15.2 Billion for 2016-2020



Upside Capital Expenditures ~\$2.5 Billion for 2016-2020

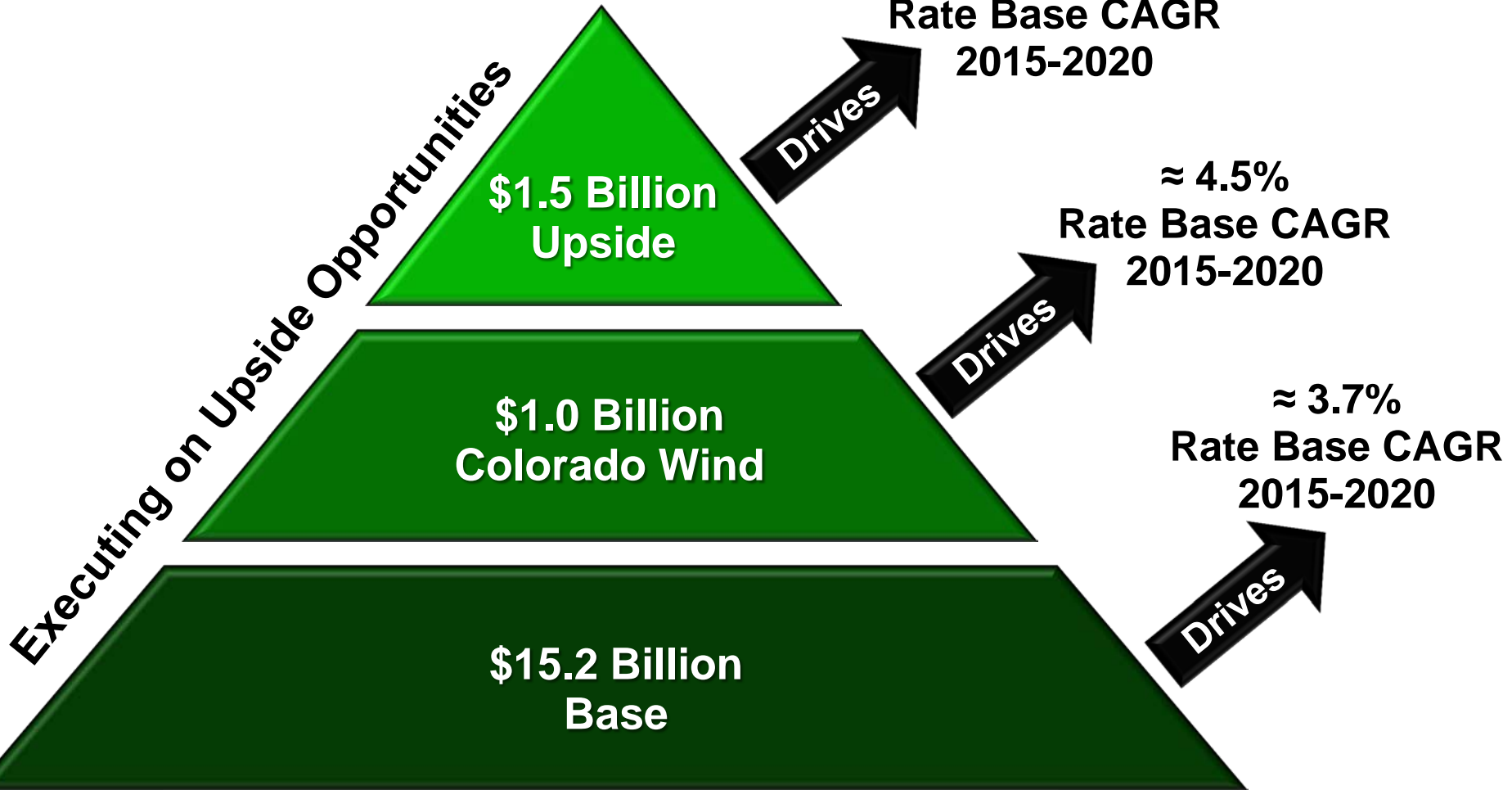


Colorado Renewable Ownership Filing

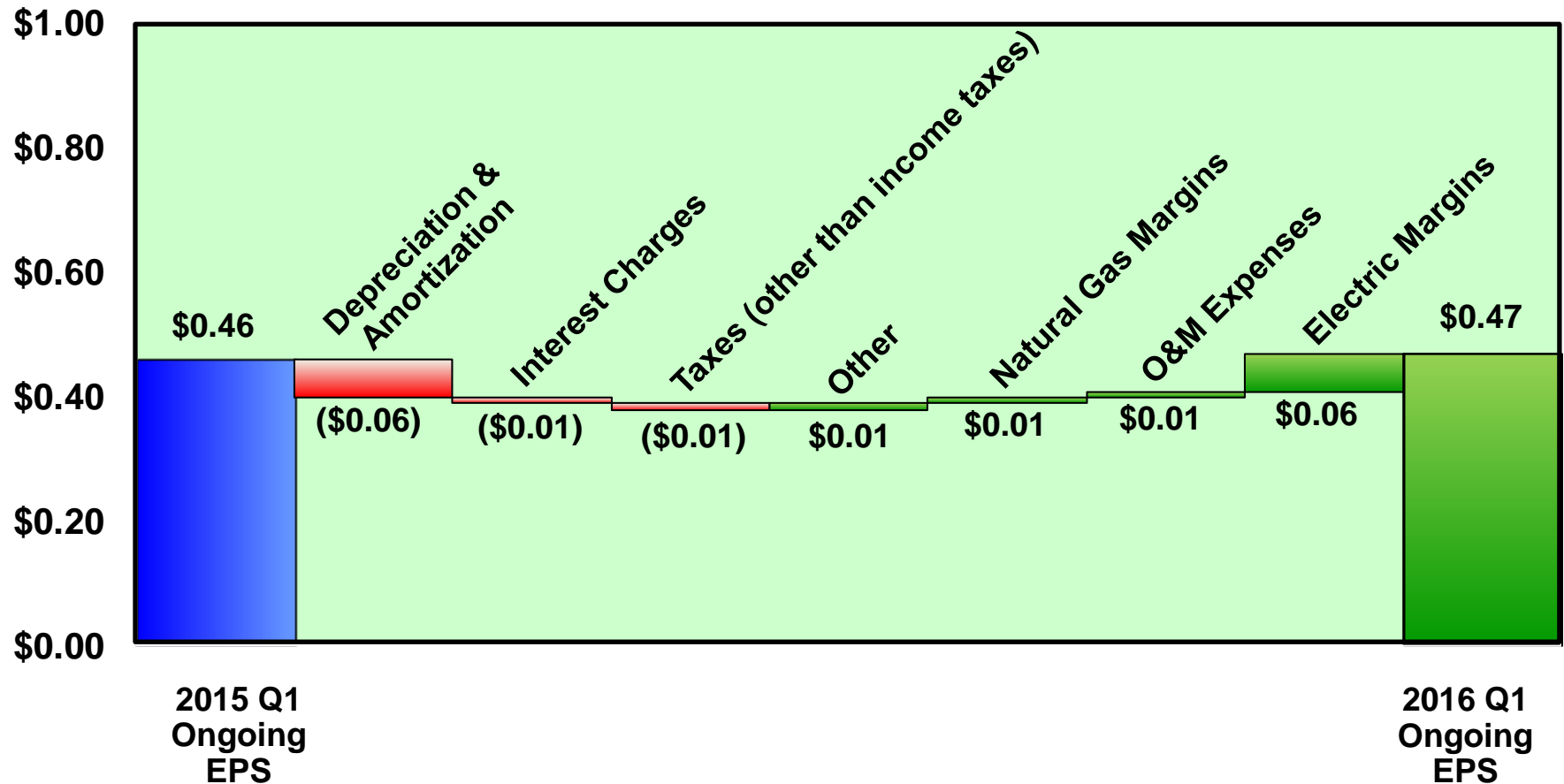
- **Proposal to build, own and operate a 600 MW wind farm**
- **Projected rate base investment of ~\$1 billion**
- **Requesting a CPUC decision in November 2016**
- **Expected in-service in December 2018**

Investing for the Future

**Capital Expenditures
2016-2020**



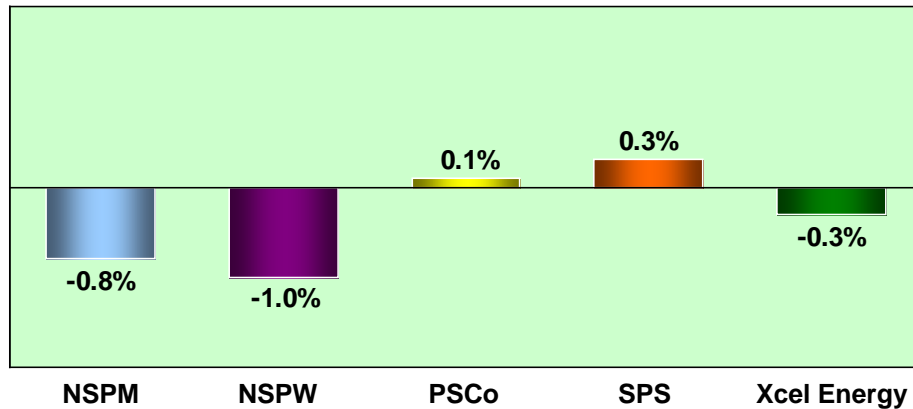
Quarterly Ongoing EPS Change



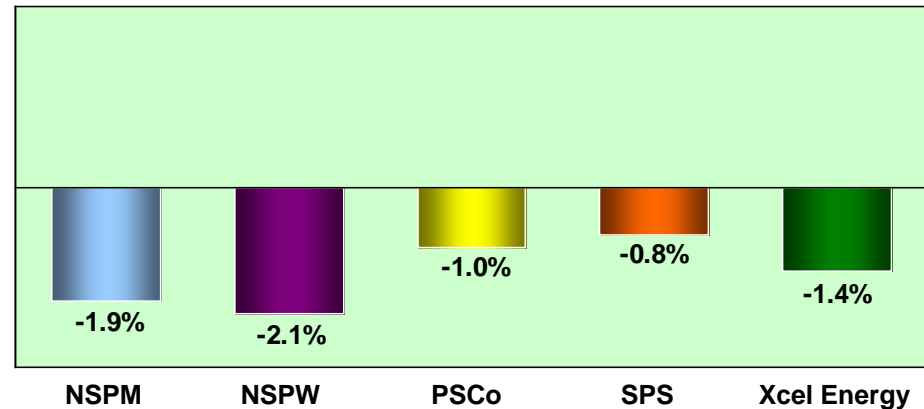
The \$0.02 adverse impact of weather is incorporated in the electric and natural gas margins

Economic, Sales & Customer Data

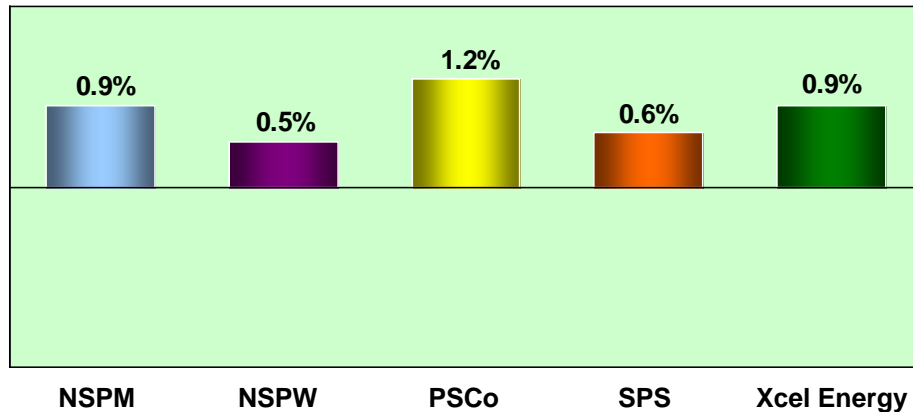
2016 Q1 W/A Electric Sales Growth



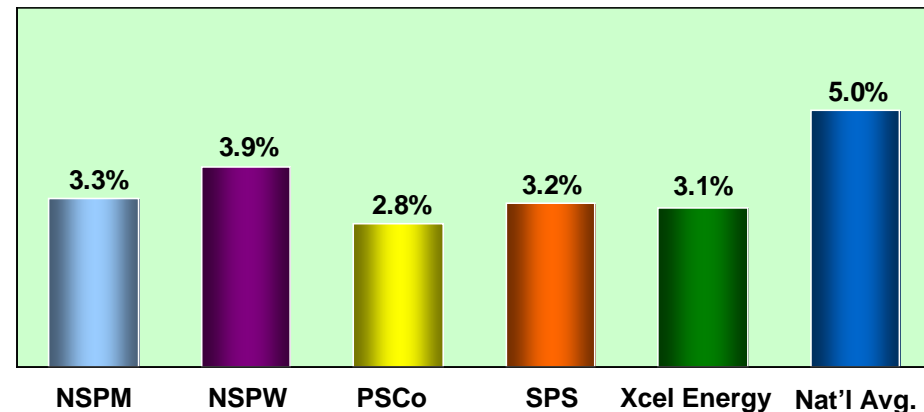
2016 Q1 W/A Electric Sales Growth (excluding an extra day of sales for leap year)



2016 Q1 YoY Electric Customer Growth



March Unemployment



Minnesota Multi-Year Electric Rate Case

Request	2016	2017	2018
Rate Request	\$194.6 million	\$52.1 million	\$50.4 million
Increase Percentage	6.4%	1.7%	1.7%
Interim Request	\$163.7 million	\$44.9 million	N/A
Rate Base	\$7.8 billion	\$7.7 billion	\$7.7 billion

- Request based on ROE of 10.0% and equity ratio of 52.50%
- Includes option of a five-year multi-year plan
- Includes offer of mediation
- In Dec. 2015, the MPUC approved interim rates of \$163.7 million effective Jan. 2016 and deferred a decision on 2017 interim rates
- Final decision expected June 2017, unless a settlement is reached

Docket # E002/GR-15-826

Wisconsin Electric & Natural Gas Rate Case

- Seeking a 2017 electric rate increase of \$17.4 million (2.4%) and a natural gas rate increase of \$4.8 million (3.9%).
 - 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
- PSCW decision expected in fourth quarter of 2016
- Final rates will be effective January 1, 2017

Docket # 4220-UR-122

Texas Electric Rate Case

- **SPS filed a Texas electric rate case for 2016**
 - **Revised base rate increase request of ~\$69 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**
- **Final rates will be effective retroactive to July 20, 2016**
- **Texas Commission decision and implementation of final rates anticipated in first quarter 2017**

Docket # 45524

New Mexico Electric Rate Case

- **SPS filed a New Mexico electric rate case for 2016**
 - **Requested a rate increase of \$45.4 million**
 - **Requested ROE of 10.25% and equity ratio of 53.97%**
 - **Rate base of \$734 million**
 - **June 2015 historic test year adjusted for known and measurable changes**
- **In May 2016, a blackbox settlement was filed for a non-fuel rate increase of \$23.5 million, pending commission approval with implementation of final rate anticipated in August 2016**

Docket # 15-00296-UT

2016 Ongoing Earnings Guidance

Ongoing EPS Guidance Range: \$2.12 – \$2.27

	<i>Key Assumption Changes</i>	
Earnings Driver	<i>Previous</i>	<i>Current</i>
W/A Electric Sales	<i>Increase 0.5% – 1.0%</i>	Increase 0.5%
Capital Rider Revenue*	<i>Increase \$70 – \$80 million</i>	Increase \$55 – \$65 million
O&M Expenses	<i>Increase 0% – 2%</i>	Increase 0% – 1%
AFUDC – Equity	<i>Decrease \$10 – \$15 million</i>	Increase \$0 – \$5 million

**The change in the capital rider assumption reflects the transfer of recovery of pipeline system integrity adjustment revenue from the rider to base rates per the CPUC decision in the Colorado natural gas case in late January 2016.*

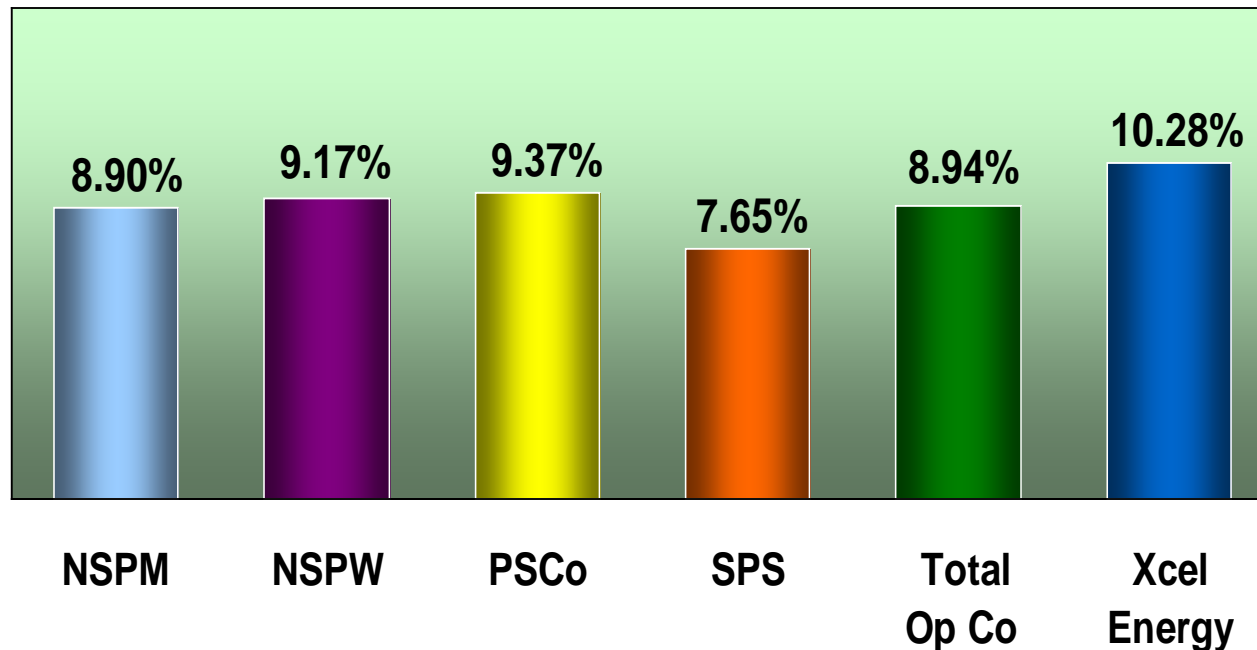
	<i>Sensitivities</i>	
Earnings Driver	<i>Sensitivity</i>	<i>EPS</i>
Retail Electric Sales	100 bps	+/- \$0.05
O&M Expenses	100 bps	+/- \$0.03

Assumes a 35% ETR and 509 million shares outstanding

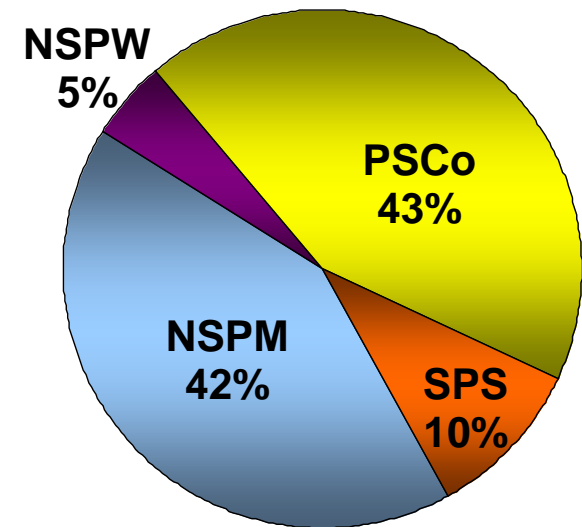
Appendix

ROE Results – GAAP & Ongoing Earnings

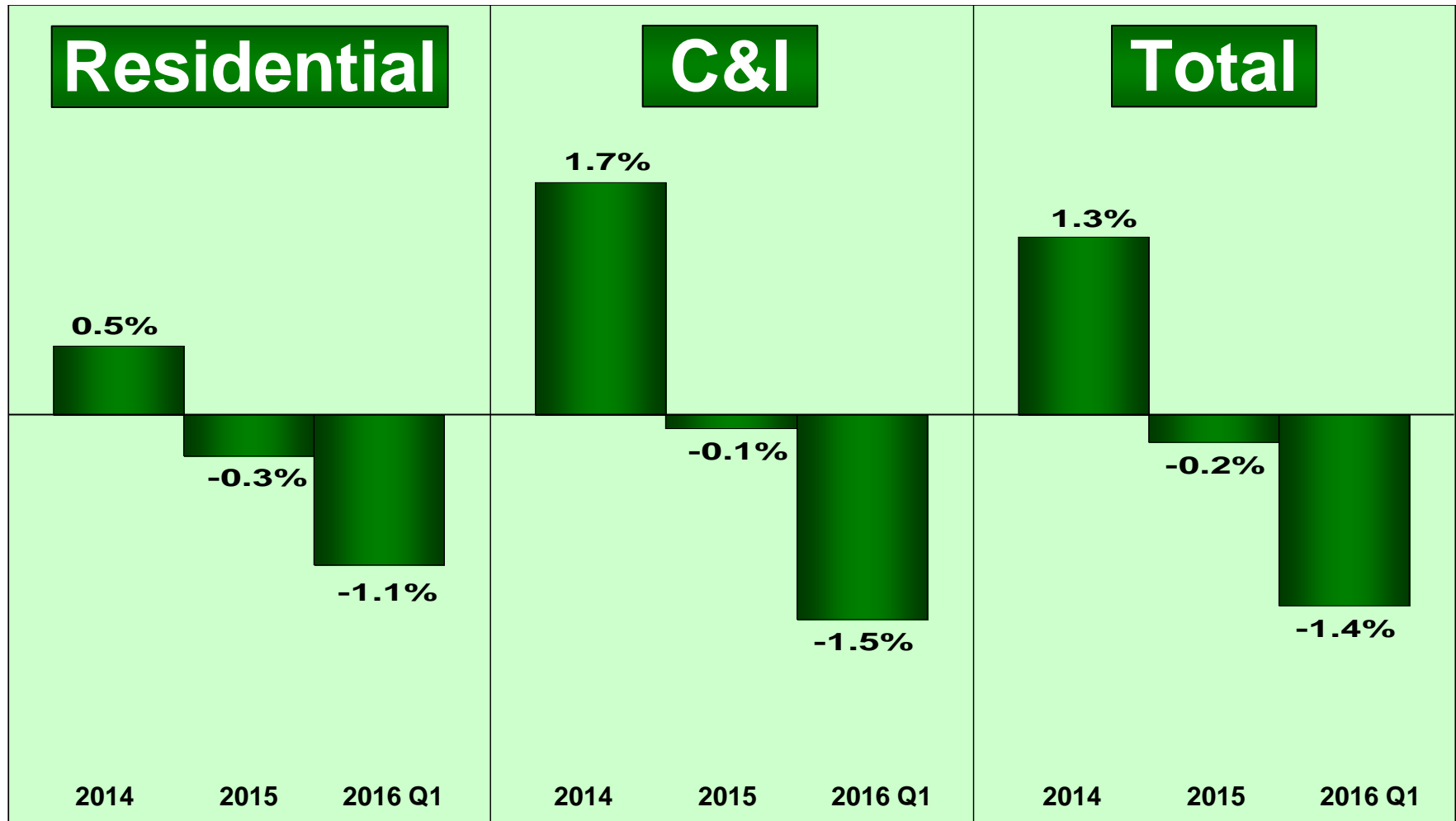
Ongoing ROE Twelve Months Ended 3/31/2016



2014 Rate Base

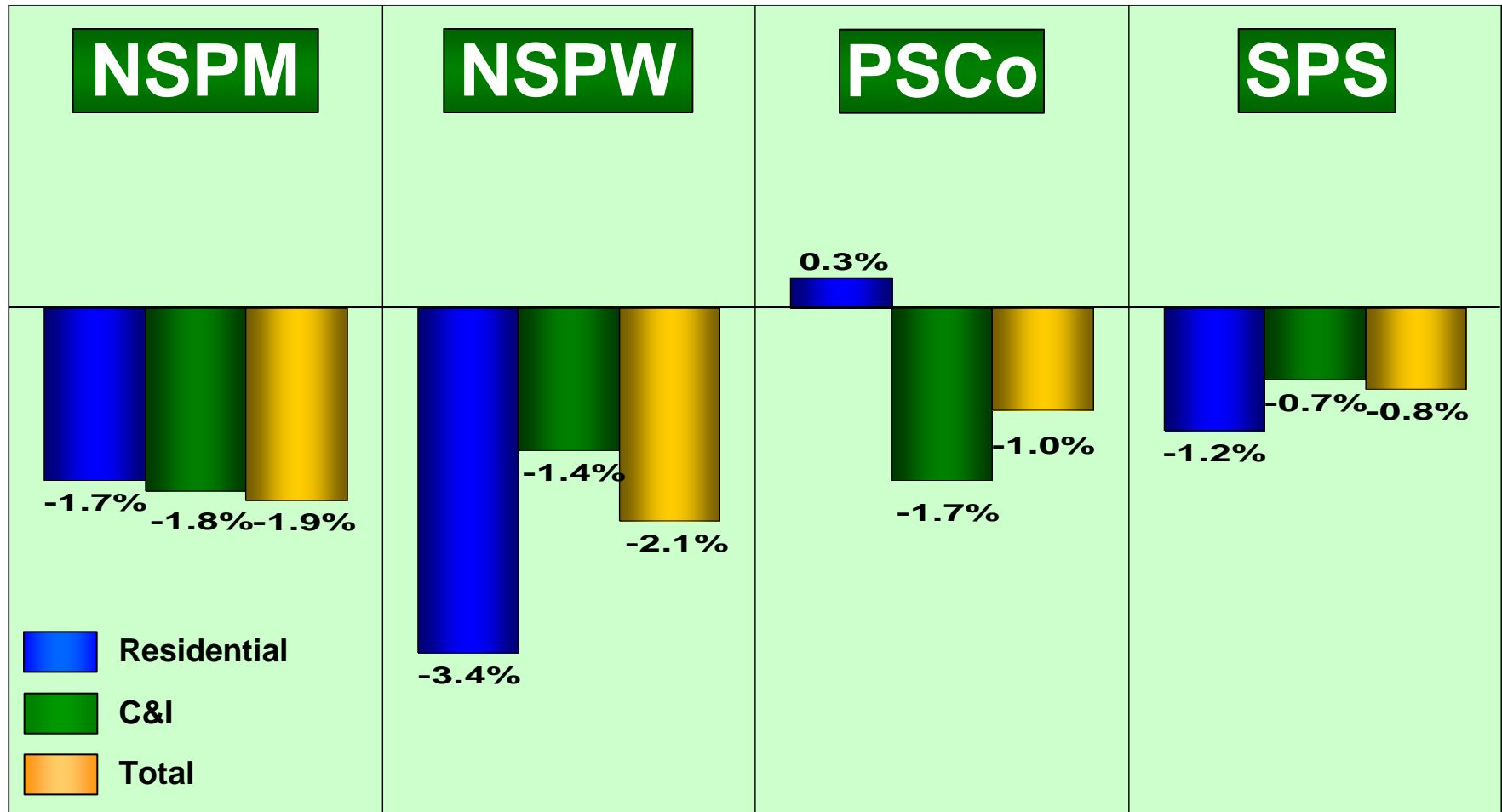


Xcel Energy W/A Electric Sales Growth



2016 Q1 figures exclude an extra day of sales for leap year

2016 Q1 W/A Electric Sales Growth



2016 Q1 figures exclude an extra day of sales for leap year

Operating Company ROE Sensitivities

Op Co	Jurisdiction	2014 Rate Base (\$ millions)	Sensitivity to 100 bps change in ROE	
			Revenue Requirement (\$ millions)	EPS
NSPM	MN Electric	\$7,047	\$57	+/- \$0.073
	MN Gas	\$453	\$4	+/- \$0.005
	ND Electric	\$454	\$4	+/- \$0.005
	ND Gas	\$48	\$0	+/- \$0.000
	SD Electric	\$474	\$4	+/- \$0.005
PSCo	CO Electric	\$6,277	\$54	+/- \$0.069
	CO Gas	\$1,661	\$14	+/- \$0.018
SPS	TX Electric	\$1,507	\$12	+/- \$0.015
	NM Electric	\$587	\$5	+/- \$0.006
NSPW	WI Electric	\$906	\$7	+/- \$0.009
	WI Gas	\$98	\$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	Q2	N/A	N/A
PSCo	First Mortgage Bonds	\$250	Q2	N/A	N/A
SPS	First Mortgage Bonds	\$300	Q3	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

Upcoming 2016 Second Quarter Events

- **Deutsche Bank Conference: May 10**
- **AGA Financial Forum: May 15-17**
- **Xcel Energy Annual Shareholder Meeting: May 18**
- **UBS West Coast Conference: June 1-2**
- **RBC Conference: June 7**