



Delivering On The Plan

Teresa Madden
Senior Vice President and CFO

Safe Harbor

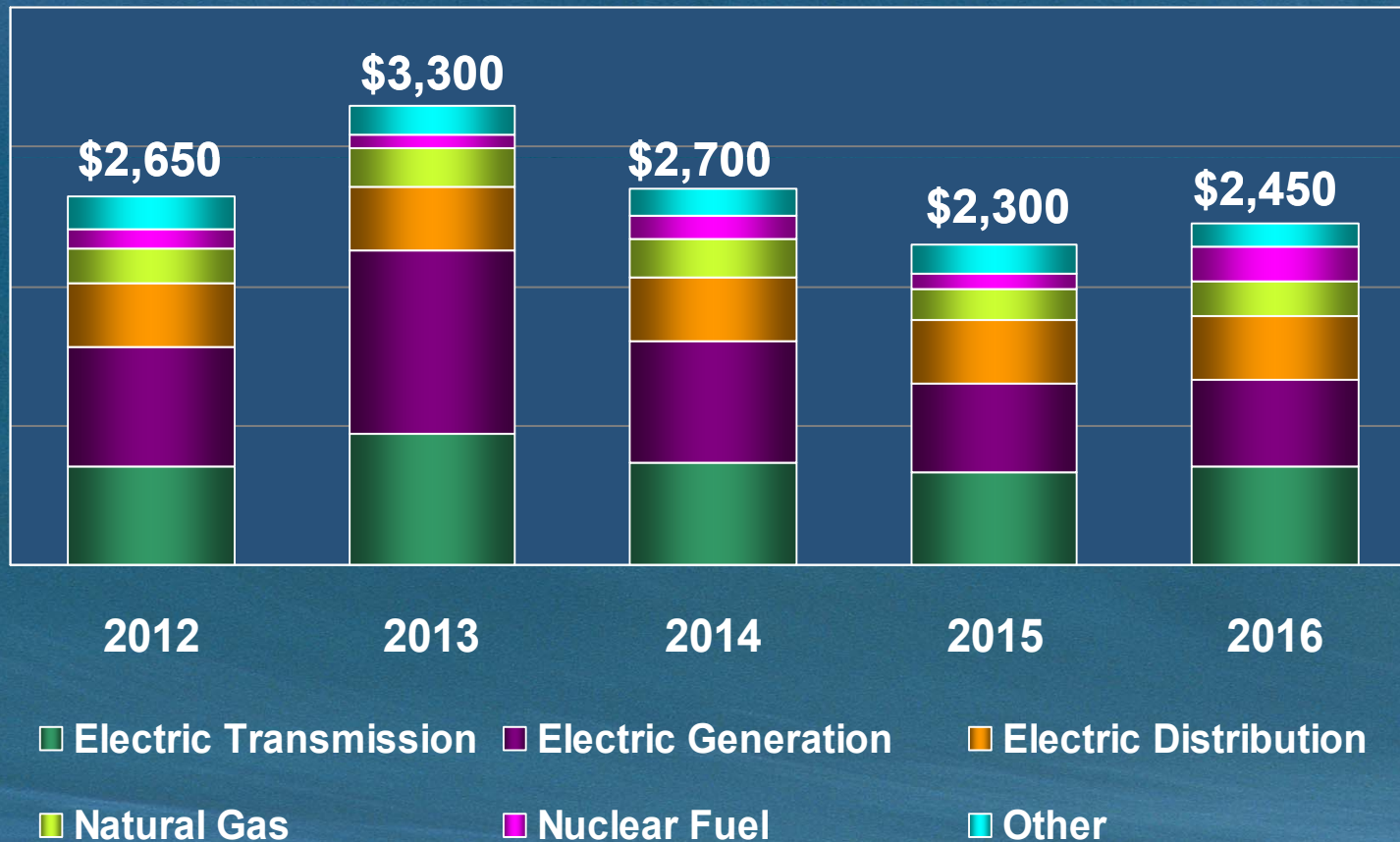
This material includes forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements include projected earnings, cash flows, capital expenditures and other statements and may be identified in this document by words such as “anticipate,” “estimate,” “expect,” “projected,” “objective,” “outlook,” “possible,” “potential” and similar expressions. Such statements speak only as of the date they are made. 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; business conditions in the energy industry, including the risk of a slowdown 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; competitive factors; 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; financial or regulatory accounting policies imposed by regulatory bodies; availability or cost of capital; employee work force factors; and other risk factors listed from time to time by Xcel Energy in reports filed with the SEC, including Item 1A - Risk Factors and Exhibit 99.01 to Xcel Energy’s report on Form 10-K for year 2010.

Delivering on the Plan

- **Required investments drive rate base growth**
- **Financial discipline**
- **Excellent access to capital markets**
- **Proven track record**
- **Uniquely positioned to deliver a transparent and sustainable 10% total return**

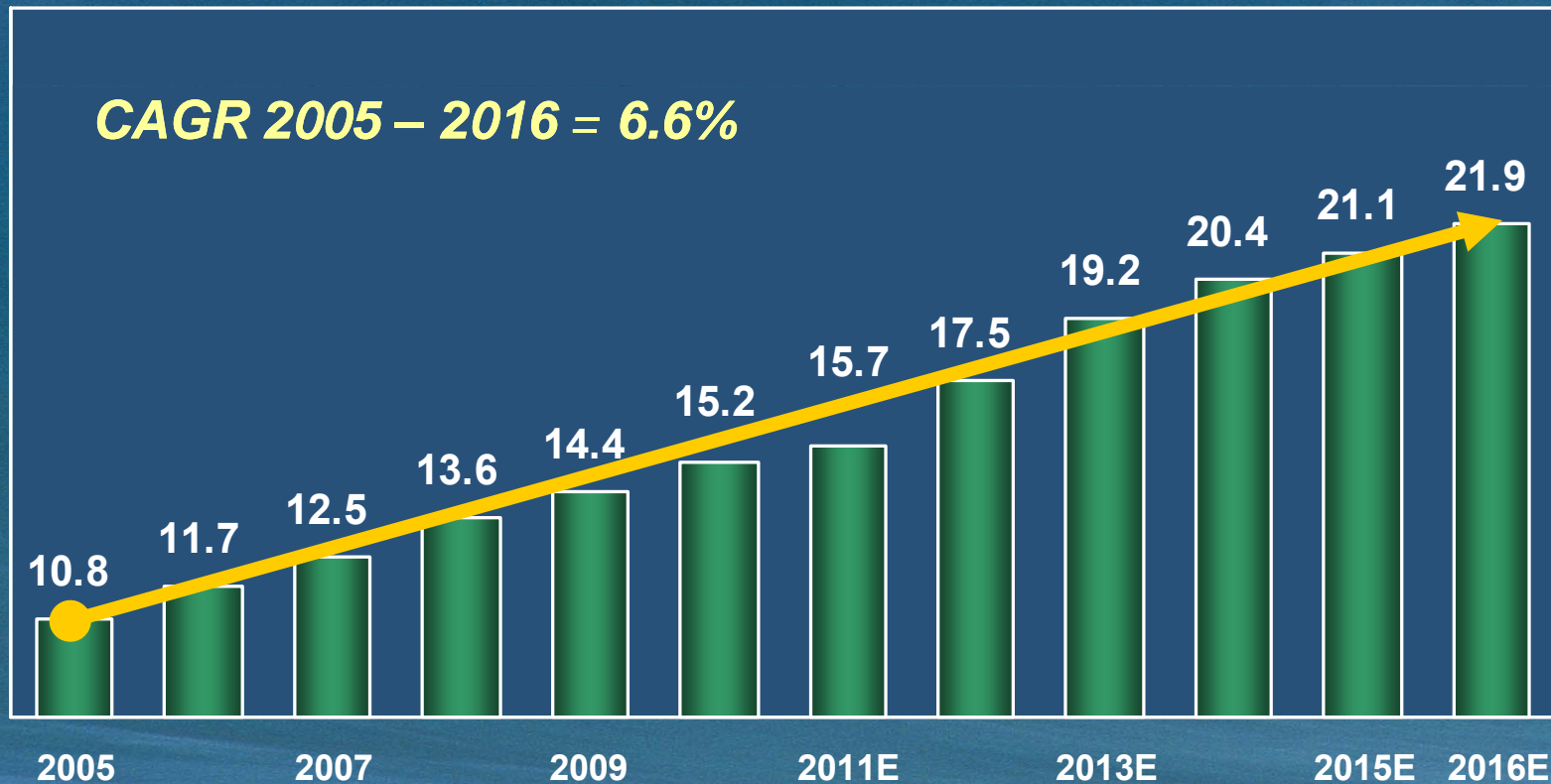
Capital Investment Pipeline

Dollars in millions



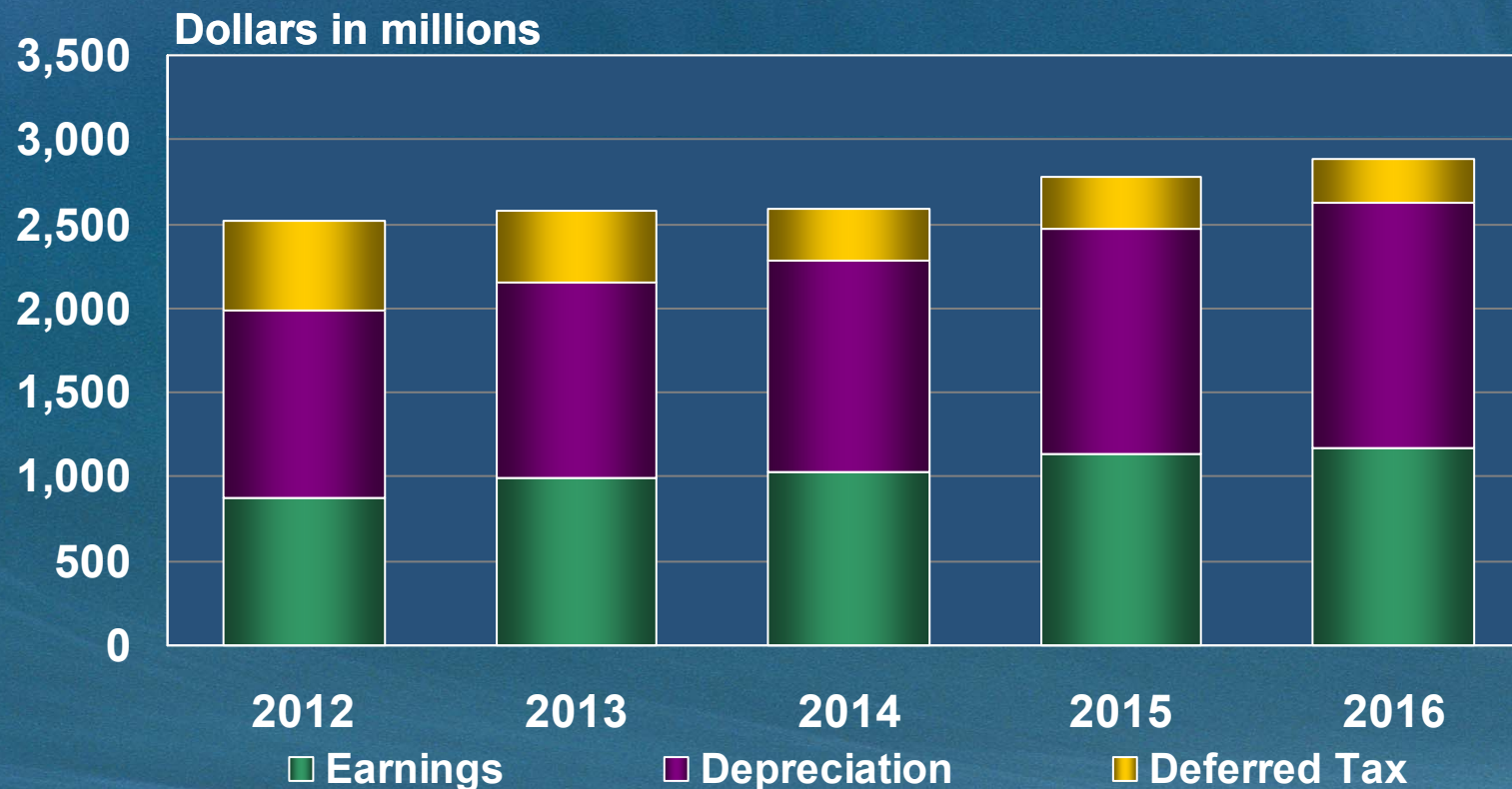
Capital Investment Drives Rate Base Growth

Dollars in billions



Increasing Cash Generation

Projected Cash from Operations *



* Pension funding, changes in working capital and AFUDC would impact estimated cash from operations

Financial Discipline

Strong Balance Sheet *46% equity / 54% debt*

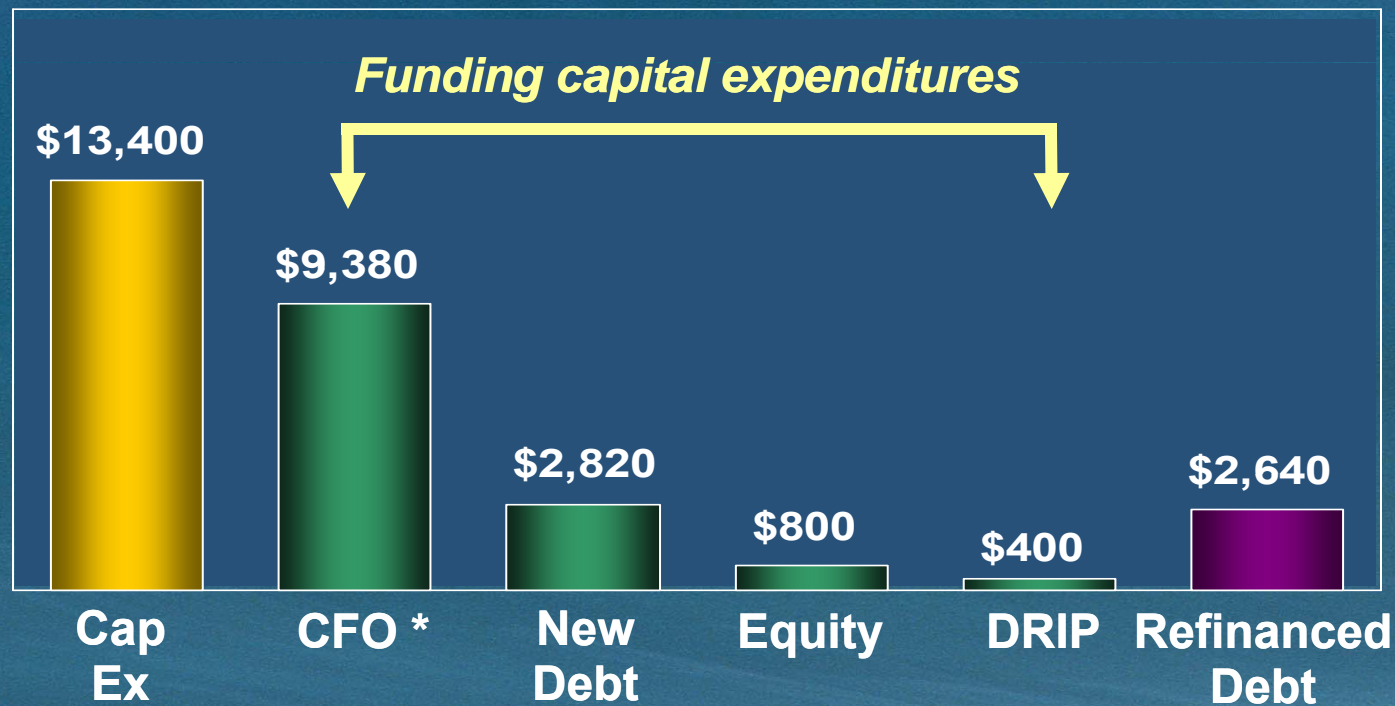
Ample Liquidity *\$2.45 billion of credit facilities*

Solid Credit Ratings

	Moody's	S&P	Fitch
<i>Xcel Unsecured</i>	<i>Baa1</i>	<i>BBB+</i>	<i>BBB+</i>
<i>NSPM Secured</i>	<i>A1</i>	<i>A</i>	<i>A+</i>
<i>NSPW Secured</i>	<i>A1</i>	<i>A</i>	<i>A+</i>
<i>PSCo Secured</i>	<i>A2</i>	<i>A</i>	<i>A</i>
<i>SPS Secured</i>	<i>A2</i>	<i>A-</i>	<i>A-</i>

Modest Financing Plan Projected 2012 – 2016

Dollars in millions



* Cash from operations, net of dividend and pension funding

Pension Status

- **Current pension funding status \approx 80%**
- **Cash flow forecast reflects projected annual funding of \$150 – \$200 million**
- **Reasonable assumptions in 2012**
 - **Expected discount rate \leq 5.25%**
 - **Expected long-term rate of return \leq 7.25%**

***Pension plan reflects reasonable assumptions
and funding requirements***

Financing Plan for 2012

Issuer	Security	Amount (millions)
NSPM	Bonds	≈ \$700
PSCo	Bonds	≈ \$750
SPS	Bonds	≈ \$100
NSPW	Bonds	≈ \$100

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

Equity Financing Plan

- No equity issuance planned for 2012 beyond DRIP and benefit plans
- Strong balance sheet with 46% equity ratio
- DRIP and benefit plans generate \approx \$80 million of equity annually
- Could be opportunistic and would consider forward equity sale if conditions warrant

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

Proven Track Record

	Ongoing EPS Growth	EPS Guidance	Dividend Growth
2011E	5% – 8% *	On track	\$0.03 or 3.0%
5-Year CAGR	7.1% EPS GROWTH	<i>Exceeded</i>	3.3% DIVIDEND GROWTH
2010	8.0%	Achieved	\$0.03 or 3.1%
2009	3.5%	Achieved	\$0.03 or 3.2%
2008	1.4%	Achieved	\$0.03 or 3.3%
2007	10.0%	Exceeded	\$0.03 or 3.4%
2006	13.0%	Achieved	\$0.03 or 3.5%

* Assumes we deliver EPS in the upper half of guidance range of \$1.65 – \$1.75

Earnings Guidance



* Reconciliation of Ongoing EPS to GAAP EPS is in the appendix

Earnings Growth

- **EPS projected to grow 5% – 7% through 2013**
- **Long-term EPS growth could be tempered by:**
 - Law of large numbers – moderating rate base growth
 - Continued economic headwinds
 - Compression in authorized ROE
- **Dividend flexibility**

Dividend flexibility provides a sustainably plan to deliver a long-term total return of 10%

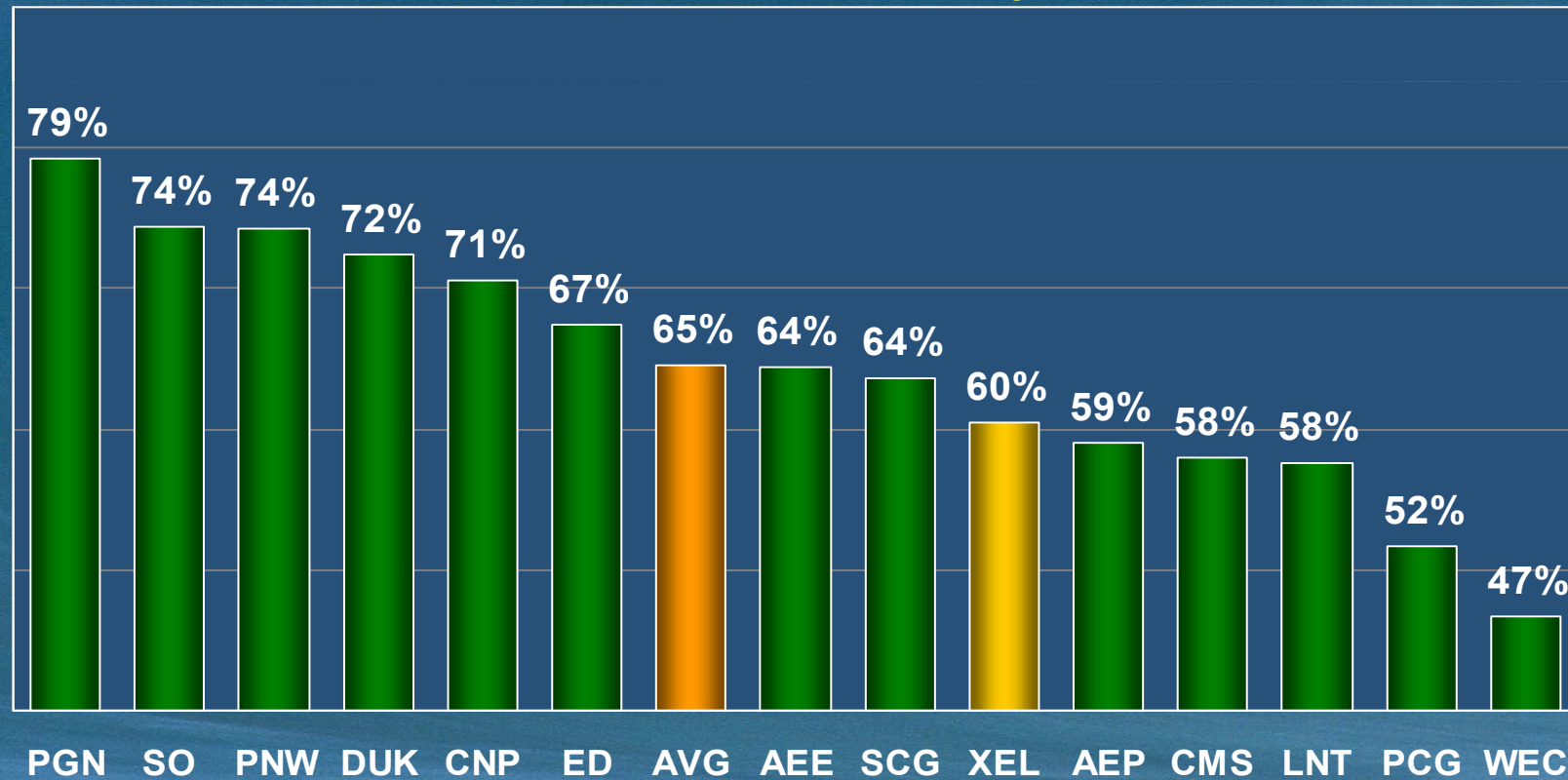
Dividend Strategy

- **Dividend payout ratio is 60% and projected to decline**
- **Near-term forecast is capital intensive**
- **Long-term dividend flexibility**
 - **Cash from operations projected to increase**
 - **Capital investment moderates post 2013**
 - **Opportunity to increase dividend component of total return objective**

*Dividend flexibility
represents dry powder*

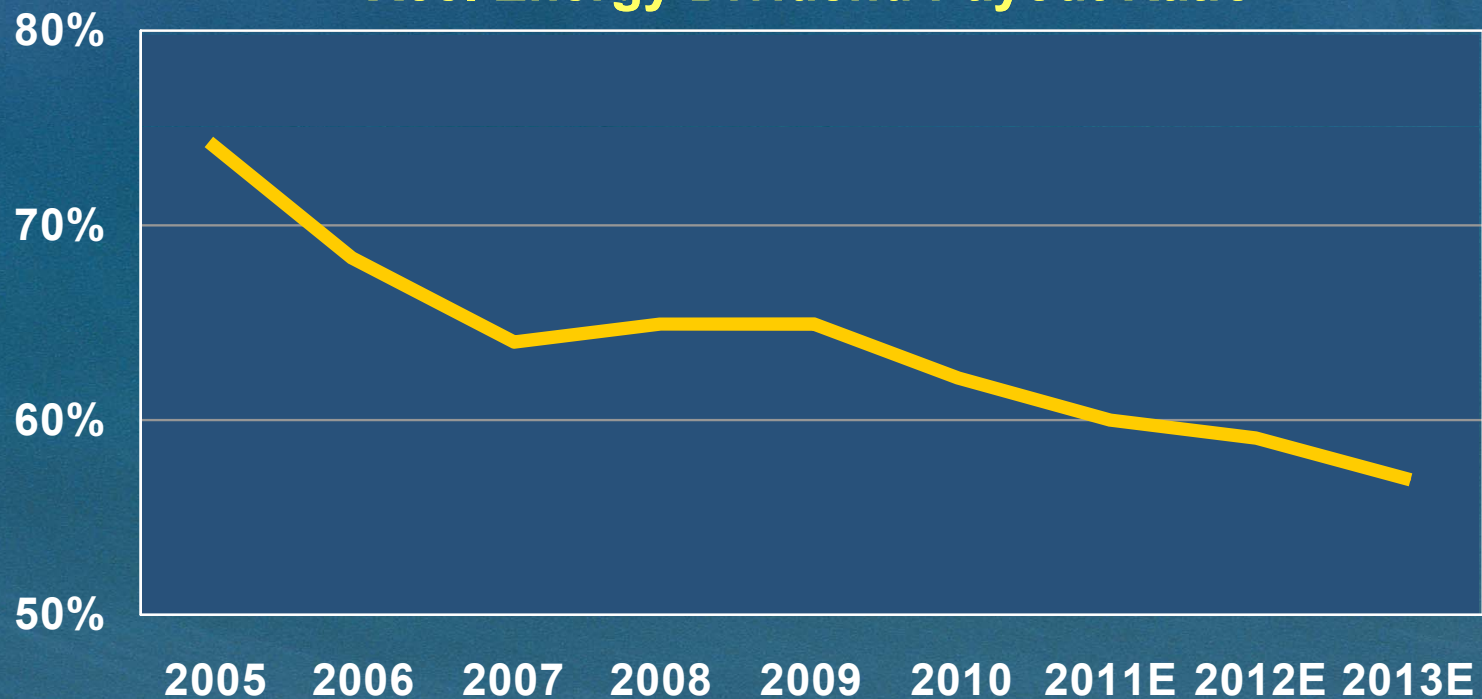
Low Payout Ratio Compared to Peers

Estimated 2011 Dividend Payout Ratio



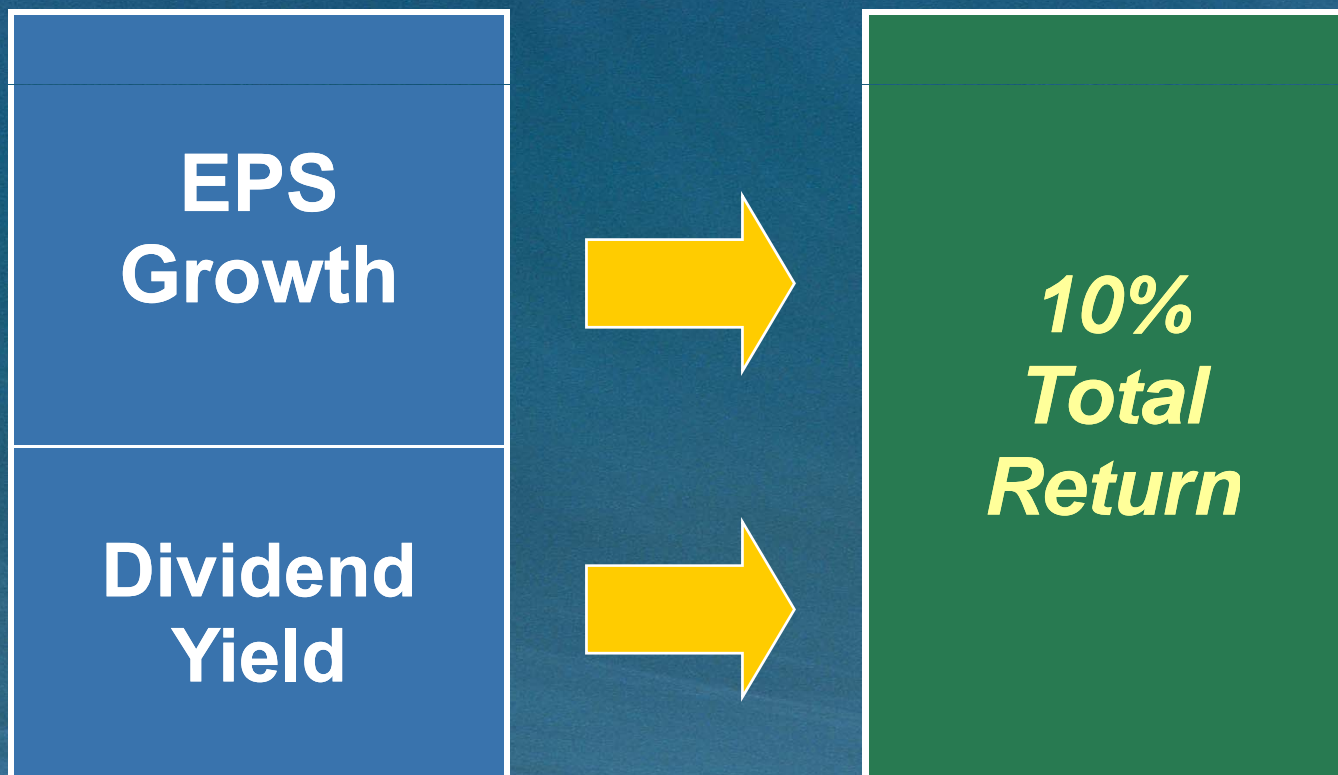
Increasing Dividend Flexibility

Xcel Energy Dividend Payout Ratio



Projected 2011 – 2013 dividend payout ratios assumes the midpoint of earnings and dividend growth targets

Value Proposition: 10% Total Return



Sustainable 10% Total Return

- **Total return composition 2011 – 2013**
 - Earnings growth of 5% – 7%
 - Dividend growth of 2% – 4%
 - Current yield \approx 4%
- **Total return composition 2014 and beyond**
 - Moderated rate base and earnings growth
 - Improved cash flows
 - Flexibility to increase the dividend portion of the total return

Delivering on the Plan

- **Required investments drive rate base growth**
- **Financial discipline**
- **Excellent access to capital markets**
- **Proven track record**
- **Uniquely positioned to deliver a transparent and sustainable 10% total return**



Appendix

Reconciliation – Ongoing EPS to GAAP

Dollars per share

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Ongoing Earnings	\$1.15	\$1.30	\$1.43	\$1.45	\$1.50	\$1.62
PSRI/COLI	0.05	0.05	(0.08)	0.01	(0.01)	(0.01)
Continuing Operations	\$1.20	\$1.35	\$1.35	\$1.46	\$1.49	\$1.61
Disc Ops	0.03	0.01	–	–	(0.01)	0.01
GAAP Earnings	\$1.23	\$1.36	\$1.35	\$1.46	\$1.48	\$1.62

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. Certain items may include, but are not limited to, unusual and infrequent non-operating items and non-operating tax settlements or adjustments related to prior periods. These items could represent significant charges or credits that impact current results, but may not be related to the Company's ongoing operations and performance. Xcel Energy's management uses ongoing earnings internally for financial planning and analysis, for reporting of results to the Board of Directors, in determining whether performance targets are met for performance-based compensation, and when communicating its earnings outlook to analysts and investors.

2012 Earnings Guidance

Ongoing 2012 earnings guidance is \$1.75 – \$1.85 per share.

Key assumptions:

- **Constructive outcomes in all rate case and regulatory proceedings**
- **Normal weather patterns are experienced for the year**
- **Weather-adjusted retail electric sales projected to grow 0.5 – 1.0%**
- **Weather-adjusted retail firm natural gas sales projected to grow 0.0 – 1.0%**
- **Rider revenue projected to increase approximately \$50 – \$55 million**
- **O&M expenses are projected to increase approximately 3 – 4%**
- **Depreciation expense projected to increase \$70 – \$80 million**
- **Interest expense (net of AFUDC-debt) projected to be relatively flat**
- **AFUDC-equity projected to increase approximately \$25 – \$30 million**
- **The effective tax rate projected to be approximately 34 – 36%**
- **Average CSE projected to be approximately 488 million shares**

Solid Credit Ratings

	Secured			Unsecured		
	<u>Fitch</u>	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>	<u>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-	A2	A-	BBB+	Baa1	A-

2010 S&P raised credit ratings of Xcel Energy, NSPM, PSCo and SPS one notch

2009 Moody's upgraded senior secured ratings at NSPM, NSPW and PSCo

2008 S&P raised senior unsecured ratings at NSPM, NSPW and PSCo

Ample Liquidity

Dollars in millions, as of November 21, 2011

	<u>Credit Lines</u>	<u>Available</u>	<u>Cash</u>	<u>Total Liquidity</u>
Hold Co.	\$ 800	\$ 582	\$ 1	\$ 583
PSCo	700	695	137	832
NSPM	500	493	0	493
SPS	300	300	57	357
NSPW	150	127	0	127
Total	\$2,450	\$2,197	\$195	\$2,392

Strong Balance Sheet

As of September 30, 2011

	<u>Millions</u>	<u>Percent</u>
Equity	\$ 8,431	45.5
Preferred Equity	105	0.6
Current Portion LT Debt	462	2.5
Short-Term Debt	50	0.3
Long-Term Debt *	9,450	51.1
Total Capitalization	\$18,498	100.0

* Long-Term debt includes \$400 million of hybrid securities, which receive 25% – 50% equity treatment from the rating agencies

Capital Expenditures by Function

Dollars in millions

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Transmission	\$ 710	\$ 945	\$ 740	\$ 660	\$ 710
Generation	860	1,305	870	640	615
Distribution	455	465	455	460	465
Natural Gas	245	275	275	225	245
Nuclear Fuel	145	95	160	105	245
Other	235	215	200	210	170
Total	<u>\$2,650</u>	<u>\$3,300</u>	<u>\$2,700</u>	<u>\$2,300</u>	<u>\$2,450</u>

Capital Expenditures by Company

Dollars in millions

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
NSPM	\$1,130	\$1,390	\$1,150	\$1,040	\$1,200
PSCo	900	1,020	920	730	720
SPS	460	730	430	320	340
NSPW	160	160	200	210	190
Total	\$2,650	\$3,300	\$2,700	\$2,300	\$2,450

Capital Expenditures by Major Project

Dollars in millions

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Base & Other	\$1,850	\$1,815	\$1,690	\$1,670	\$2,030
Clean Air Clean Jobs Act	200	410	260	95	10
CapX2020	175	350	285	145	0
Nuclear Fuel	145	95	160	105	245
Nuclear Uprate/Life Ext	145	295	105	95	0
CSAPR	75	255	115	25	0
RES & Infrastructure	60	80	85	165	165
Total	\$2,650	\$3,300	\$2,700	\$2,300	\$2,450

Debt Maturity Schedule

		Amount Dollars in millions	Interest Rate Percent	Series
2012	NSPM	450	8.000	First Mortgage Bond
	PSCo	600	7.875	First Mortgage Bond
2013	PSCo	250	4.875	First Mortgage Bond
2014	PSCo	275	5.500	First Mortgage Bond
2015	NSPM	250	1.950	First Mortgage Bond
2016	SPS	200	5.600	Senior Unsecured Notes
2017	Hold Co	254	5.613	Senior Unsecured Notes
	PSCo	130	4.375	First Mortgage Bond
2018	NSPM	500	5.250	First Mortgage Bond
	NSPW	150	5.250	First Mortgage Bond
	PSCo	300	5.800	First Mortgage Bond
	SPS	250	8.875	Senior Unsecured Notes
2019	PSCo	400	5.125	First Mortgage Bond
		49	5.100	Pollution Control Obligation
	NSPM	100	8.500	Pollution Control Obligation
		28	8.500	Pollution Control Obligation