



## Built to Last



**AGA**  
**May 15-17, 2011**

# 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 and quarterly reports on Form 10-Q.

# Xcel Energy is Built to Last

- **Strategy**
  - Invest in our core electric and gas businesses
  - Provide safe, clean, reliable and affordable energy
  - Earn a fair return on our investments
- **Demonstrated benefits to stakeholders**
  - Satisfied customers
  - Attractive total return to shareholders

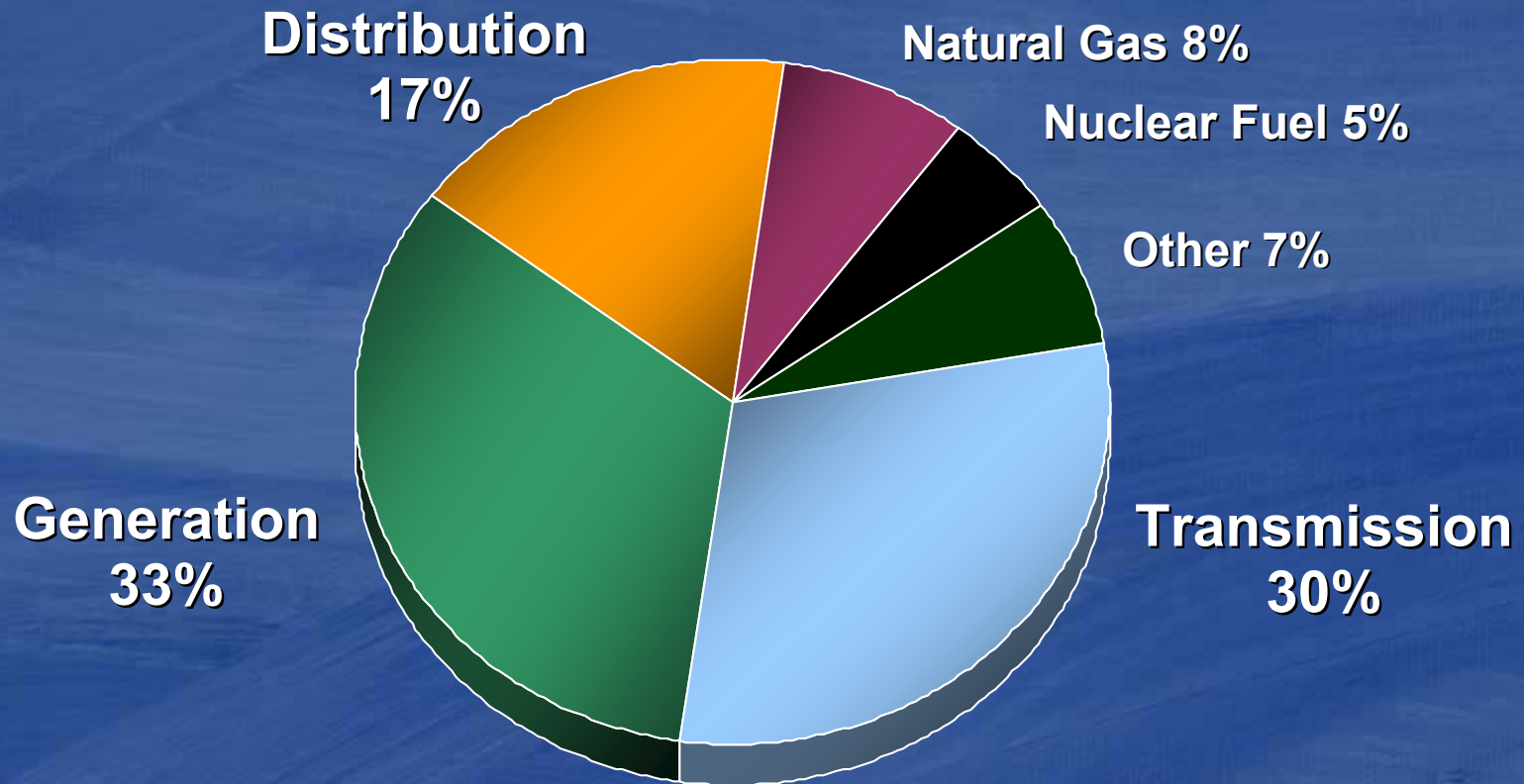
# Financial Objectives

- **Balanced and attractive total return**
  - **EPS growth of 5% – 7%**
  - **Sustainable and growing dividend**
    - ◆ **Currently yielding  $\approx$  4%**
    - ◆ **Projected to grow 2% – 4% annually**
- **Senior unsecured credit ratings of BBB+ to A**

# Mitigating Risk is Key

- **Early adoption of clean energy initiatives**
  - Influence public policy
  - Reduce long-term environmental and compliance risk
  - Disciplined financial management
- **Provides flexibility**
  - Retirements, retrofits and repowering
  - Emission controls
  - Nuclear power uprates and life extensions

# Capital Investment Pipeline

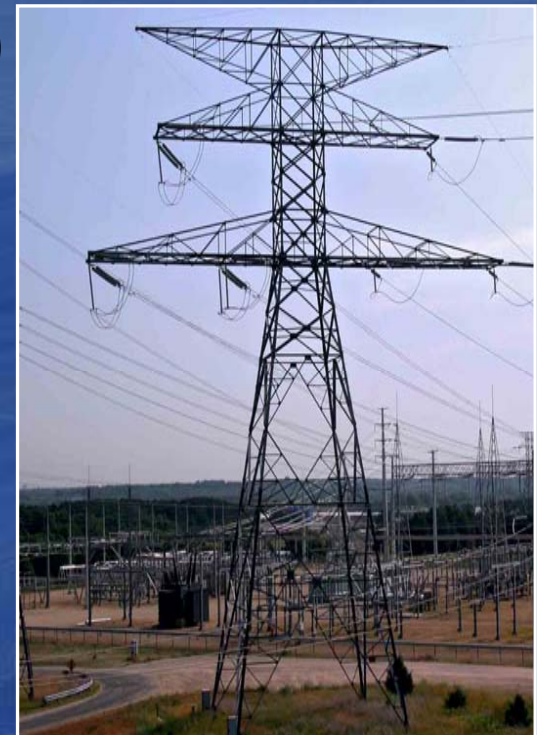


**2011 – 2015 capital investment = \$12.7 billion which drives rate base growth approximately 7% annually**

# Expanding Transmission System

- 4<sup>th</sup> largest investor-owned transmission system
- Assets in 10 states and 3 NERC Regions
- Net book value of \$3.3 billion in 2010
- 18,100 line miles
- 324 substations
- 2010 peak demand  $\approx$  21,000 MW

**2011-2015 planned transmission investment of \$3.85 billion**



# NSP Black Dog Repowering

- Retire 250 MW of coal
- Install 700 MW natural gas combined cycle
- In-service by 2016
- \$600 million
- NO<sub>x</sub>, SO<sub>2</sub> and Hg emissions reduced 90% annually



# PSCo Clean Air – Clean Jobs Project

- **Designed to reduce NO<sub>x</sub> 70%-80%**
  - **Shutdown over 900 MW of coal-fired generation**
  - **Fuel switch Cherokee Unit 4 to natural gas**
  - **Build new natural gas combined-cycle unit**
  - **Install SCR at Hayden and Pawnee Station**
- **Project is expected to be completed by 2017**
- **Estimated cost of \$1 billion**
- **CWIP recovery via rate cases**



# SPS Jones 3 Expansion Project

- Install 168 MW natural gas turbine
- In-service by June 2011
- Estimated cost of \$110 million



# Nuclear Power

## Low Cost, Reliable and Carbon Free

### Monticello



- Boiling-water reactor
- One unit with about 600 MW
- Began commercial operation in 1971
- NRC renewed license for operations until 2030

### Prairie Island



- Pressurized water reactors
- Two units with about 550 MW each
- Began commercial operation in 1973 and 1974
- License renewal is pending NRC approval; decision expected in 2011

# Nuclear Power Life Extension and Uprate

- Extend operating life by 20 years
- Increase output by 235 MW
- Total cost ≈ \$1 billion
- Regulatory approvals underway





Plant	Request	Approvals		Estimated Completion
		MPUC	NRC	
Monticello	Life Extension	☑	☑	Fall 2011
	Uprate	☑	Pending	
Prairie Island	Life Extension	☑	Pending	PI Unit 1 - 2014
	Uprate	☑	Pending	PI Unit 2 - 2015

# Demand Side Management Customer Value and Shareholder Incentives

State	GWh Saved	2010 Incentive (\$ in millions)
Minnesota	410	\$40.5
Colorado	252	\$17.5
New Mexico	32	\$1.7
Total	694	\$59.7

**Demand-side management programs in ND, SD, TX and WI do not currently provide performance incentives**

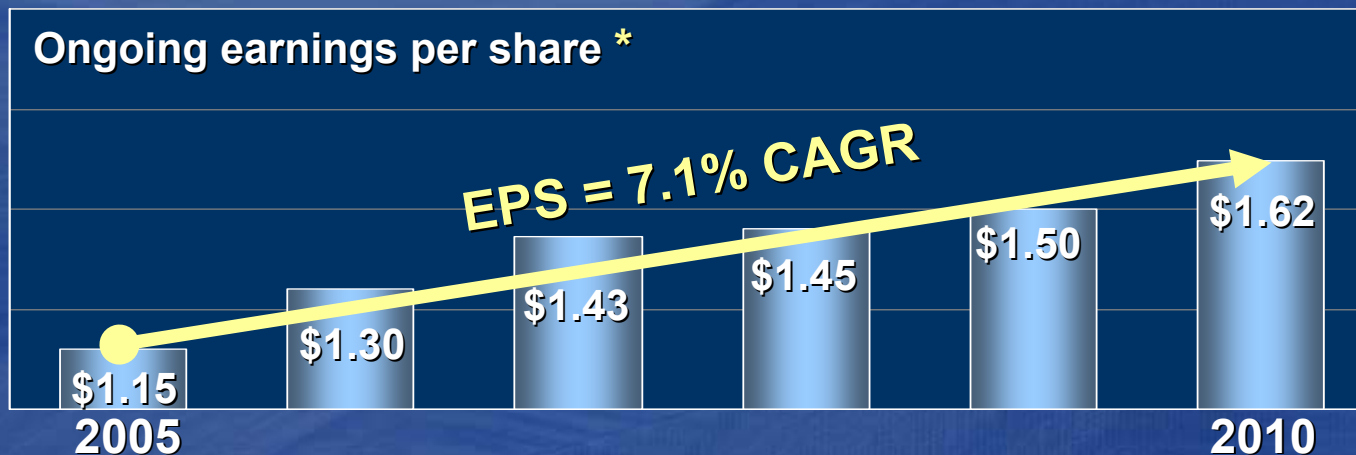
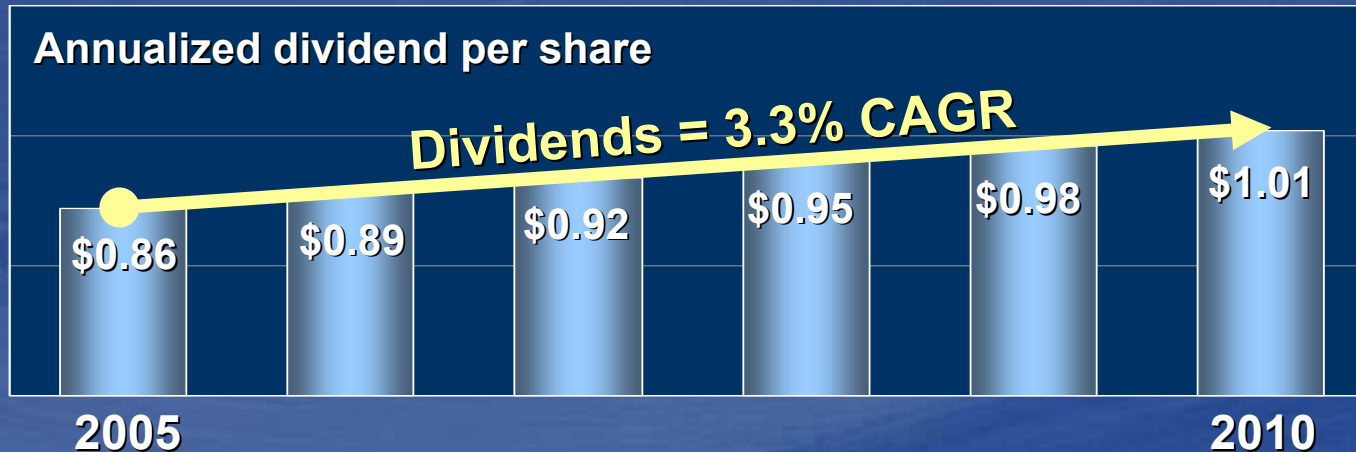
# Constructive Regulation

<p><b>Timely Recovery</b></p>   <p><b>Regulatory Lag</b></p>	<p><b>Riders</b></p>	<p>Renewables – CO, MN          Environmental – MN, ND, SD          Transmission – CO, MN, ND, SD, TX          Conservation/DSM – CO, MN, NM          Capacity Cost Recovery – CO</p>
	<p><b>Forward Test Year with Interim Rates or 2<sup>nd</sup> Year Forecast</b></p>	<p>Minnesota          North Dakota          Wisconsin          Colorado – Allowed</p>
	<p><b>Forward Test Year</b></p>	<p>FERC Wholesale          New Mexico – Allowed</p>
	<p><b>Historic Test Year Adjusted for Known and Measurables</b></p>	<p>Texas          South Dakota</p>

# Pending Rate Cases

	Seeking Rate Increase of	Interim Rates	Expected Decision
<b>MN Electric</b>	<b>2011 \$126 million; 2012 \$45 million</b>	<b>\$123 million Jan. 2011</b>	<b>Q4 2011</b>
<b>ND Electric</b>	<b>2011 \$20 million; 2012 \$4 million</b>	<b>\$17 million Feb. 2011</b>	<b>Q4 2011</b>
<b>CO Gas</b>	<b>\$20.4 million</b>	<b>N/A</b>	<b>June 2011</b>
<b>NM Electric</b>	<b>\$19.9 million</b>	<b>N/A</b>	<b>2012</b>
<b>CO Wholesale</b>	<b>\$16 million</b>	<b>N/A</b>	<b>2011</b>
<b>MI Electric</b>	<b>\$1 million</b>	<b>N/A</b>	<b>2011</b>

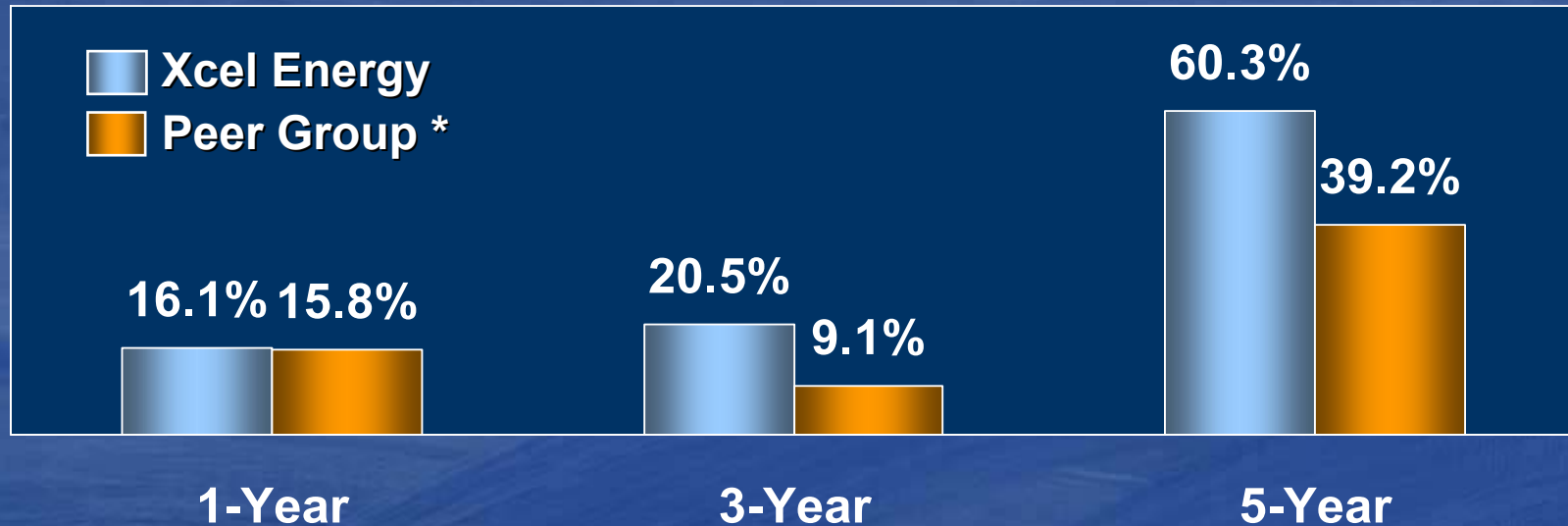
# Consistent Financial Performance



\* A reconciliation of Ongoing EPS to GAAP EPS is included in the appendix

# Delivering Strong Total Returns

Total return for the period ended 12/31/10



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

# Projecting 5% – 7% EPS Growth



\* A reconciliation of Ongoing EPS to GAAP EPS is included in the appendix

# Built to Last

- **Our strategy is working**
- **Visible growth plans**
- **Constructive regulation**
- **Strong financial foundation**

## **Attractive Total Return**

**Sustainable 5% – 7% earnings per share growth**

**Dividend yield = 4.2%**

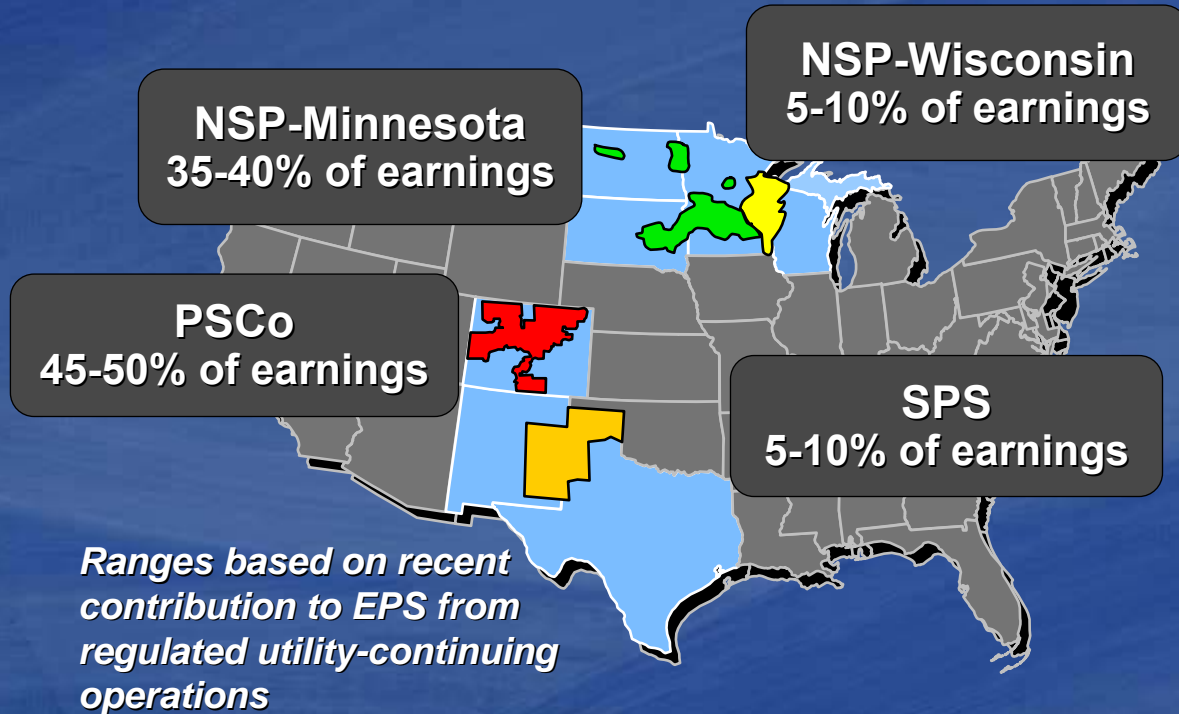
**Dividend growth of 2% – 4% per year**



# Appendix



# Company Profile



**2010 Dividend \$1.01 per share, annualized**  
**2011 Ongoing EPS guidance \$1.65 - \$1.75**

**Fully Regulated**

**Operate in 8 States**

**Combination Utility**

**Electric 85% of cont. ops**  
**Gas 15% of cont. ops**

**Customers**

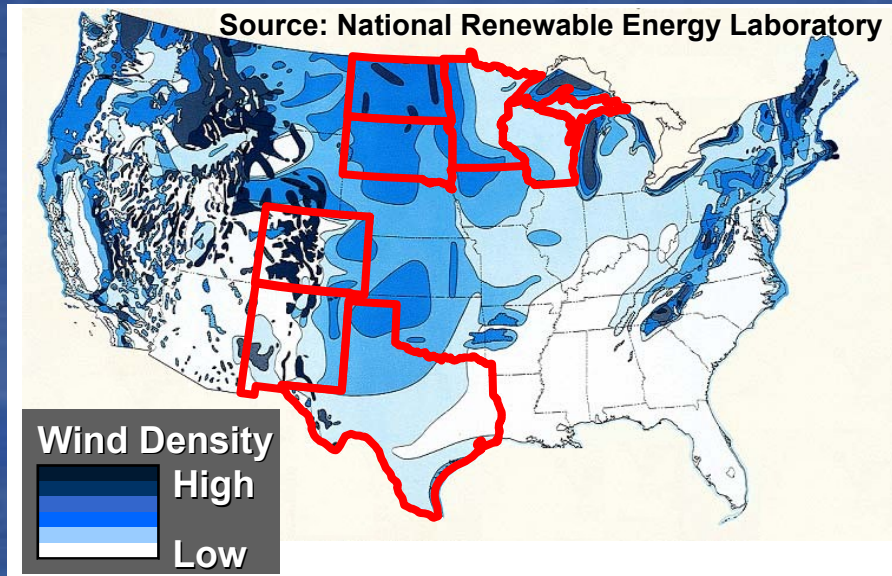
**3.4 million electric**  
**1.9 million gas**

**2010 Financial Statistics**

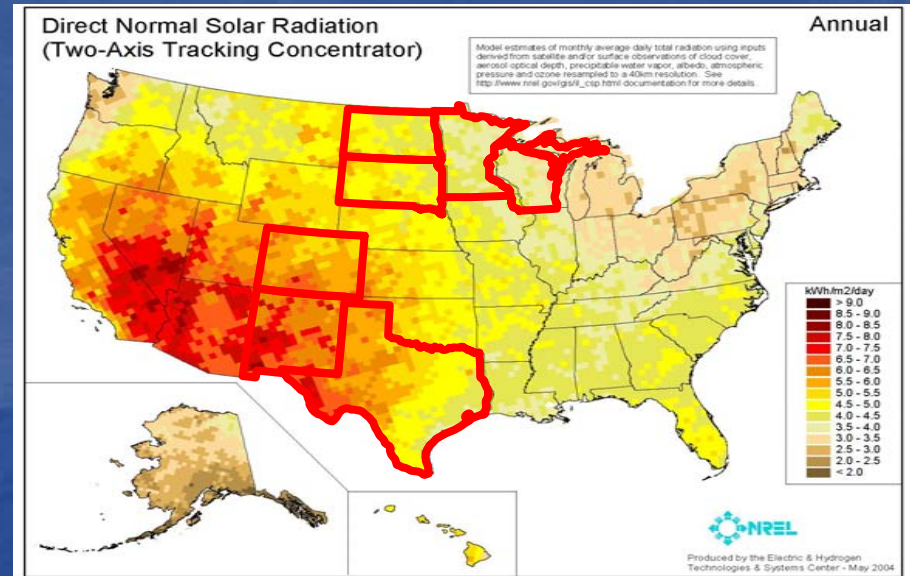
**Net Income: \$756 million**  
**Assets: \$27.5 billion**  
**Equity ratio: 45%**

# Geographic Competitive Advantage

## Wind Resource



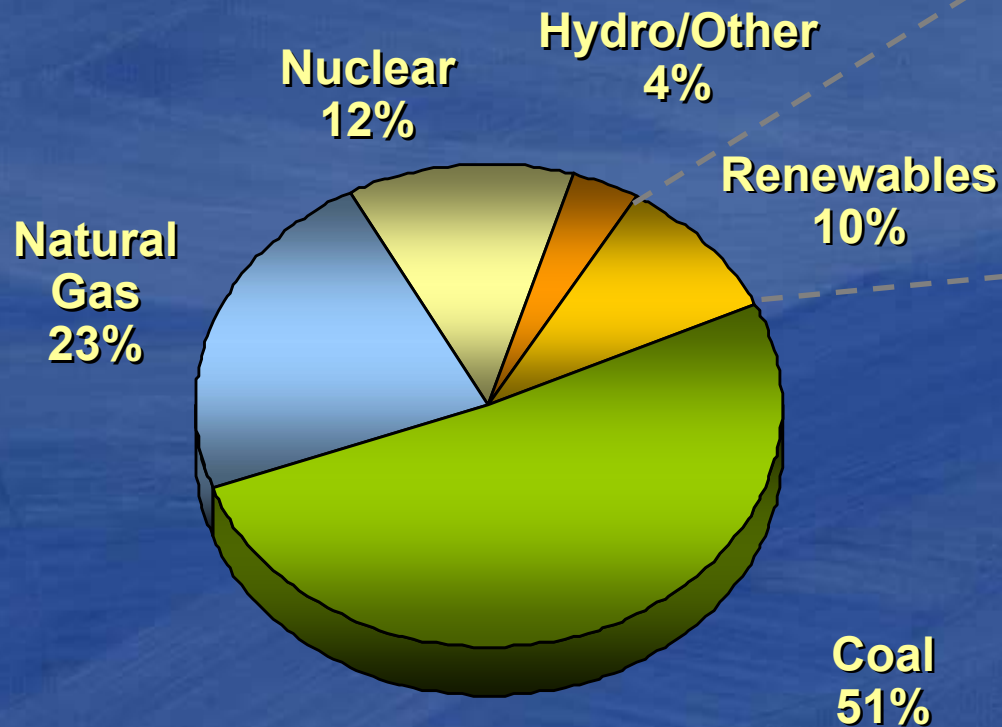
## Solar Resource



Xcel Energy States Served

# Diversified Energy Mix

## 2010 Energy

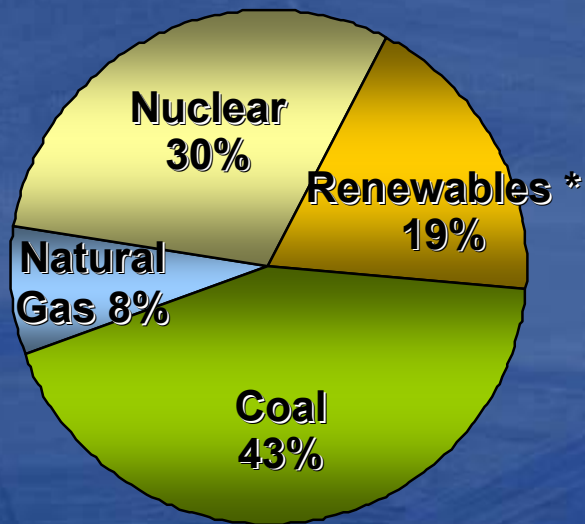


## Capacity

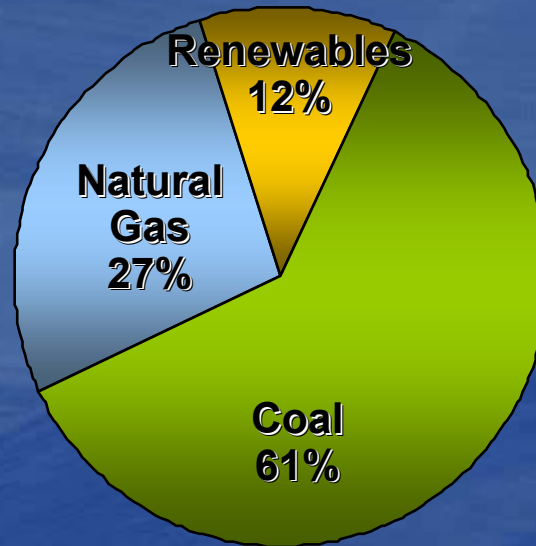
Wind	3,432
Solar	87
Biomass	193
RDF/Landfill	118

# 2010 Owned & Purchased Energy

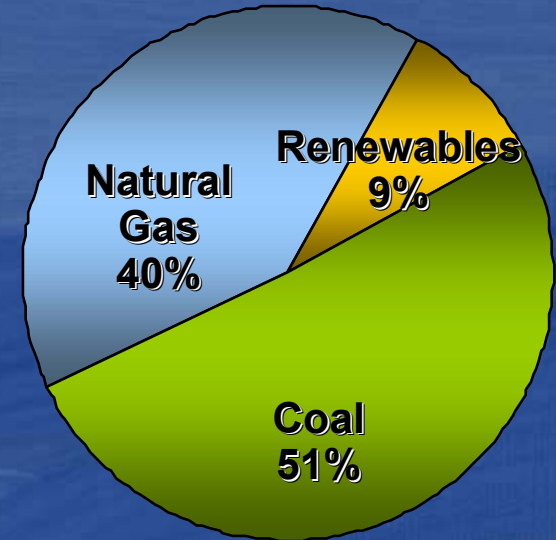
NSP



PSCo



SPS



\* Includes hydro

# 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.

# Solid Credit Ratings

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

**2010: S&P raised 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**

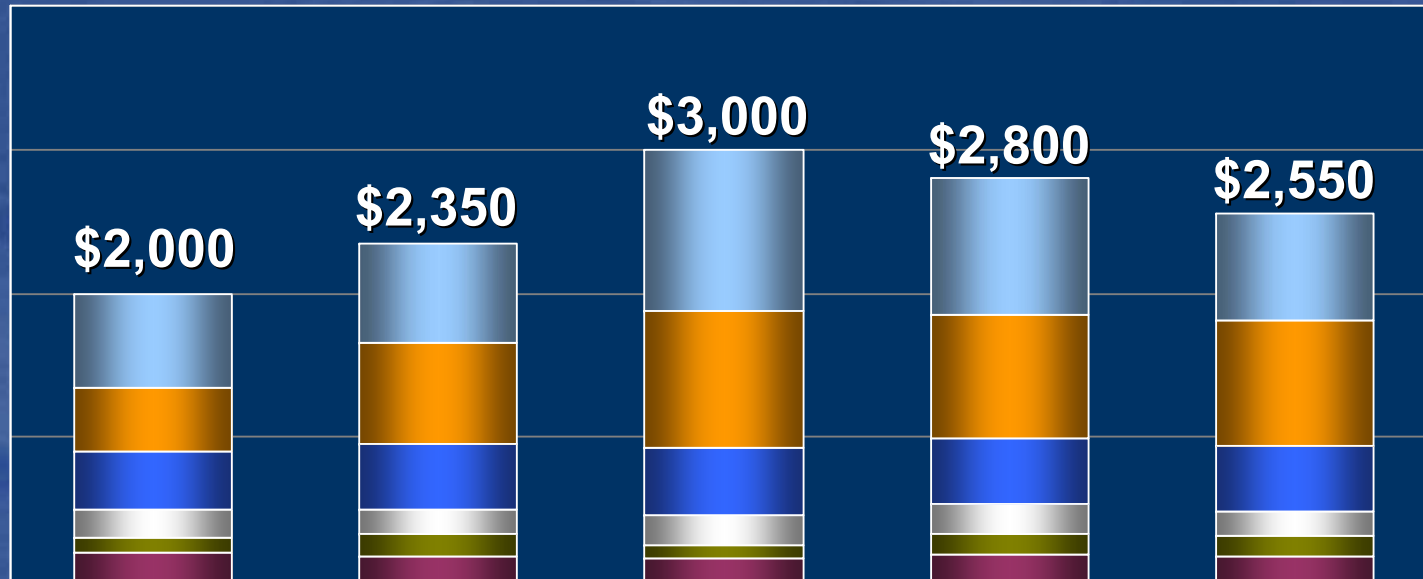
# Solid Liquidity

Dollars in millions, as of April 25, 2011

	<u>Credit Lines</u>	<u>Available</u>	<u>Cash</u>	<u>Total Liquidity</u>
<b>Hold Co.</b>	<b>\$ 800</b>	<b>\$ 477</b>	<b>\$ 3</b>	<b>\$ 480</b>
<b>PSCo</b>	<b>700</b>	<b>610</b>	<b>1</b>	<b>611</b>
<b>NSPM</b>	<b>500</b>	<b>493</b>	<b>0</b>	<b>493</b>
<b>SPS</b>	<b>300</b>	<b>241</b>	<b>1</b>	<b>242</b>
<b>NSPW</b>	<b>150</b>	<b>106</b>	<b>0</b>	<b>106</b>
<b>Total</b>	<b>\$2,450</b>	<b>\$1,927</b>	<b>\$ 5</b>	<b>\$2,083</b>

# Capital Investment Pipeline

Dollars in millions



2011

2012

2013

2014

2015

Other

Natural Gas

Electric Transmission

Nuclear Fuel

Electric Distribution

Electric Generation

# Capital Investment Pipeline

Dollars in millions	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Base &amp; Other</b>	<b>\$1,450</b>	<b>\$1,485</b>	<b>\$1,575</b>	<b>\$1,640</b>	<b>\$1,785</b>
<b>Nuclear Uprate/Life Ext</b>	<b>200</b>	<b>80</b>	<b>240</b>	<b>105</b>	<b>100</b>
<b>Nuclear Fuel</b>	<b>100</b>	<b>155</b>	<b>95</b>	<b>145</b>	<b>140</b>
<b>Clean Air – Clean Jobs Act</b>	<b>100</b>	<b>170</b>	<b>330</b>	<b>245</b>	<b>140</b>
<b>CapX2020</b>	<b>70</b>	<b>190</b>	<b>330</b>	<b>290</b>	<b>145</b>
<b>RES &amp; Infrastructure</b>	<b>70</b>	<b>150</b>	<b>200</b>	<b>185</b>	<b>205</b>
<b>Black Dog Repowering</b>	<b>10</b>	<b>120</b>	<b>230</b>	<b>190</b>	<b>35</b>
<b>Total</b>	<b>\$2,000</b>	<b>\$2,350</b>	<b>\$3,000</b>	<b>\$2,800</b>	<b>\$2,550</b>

# Capital Investment Pipeline

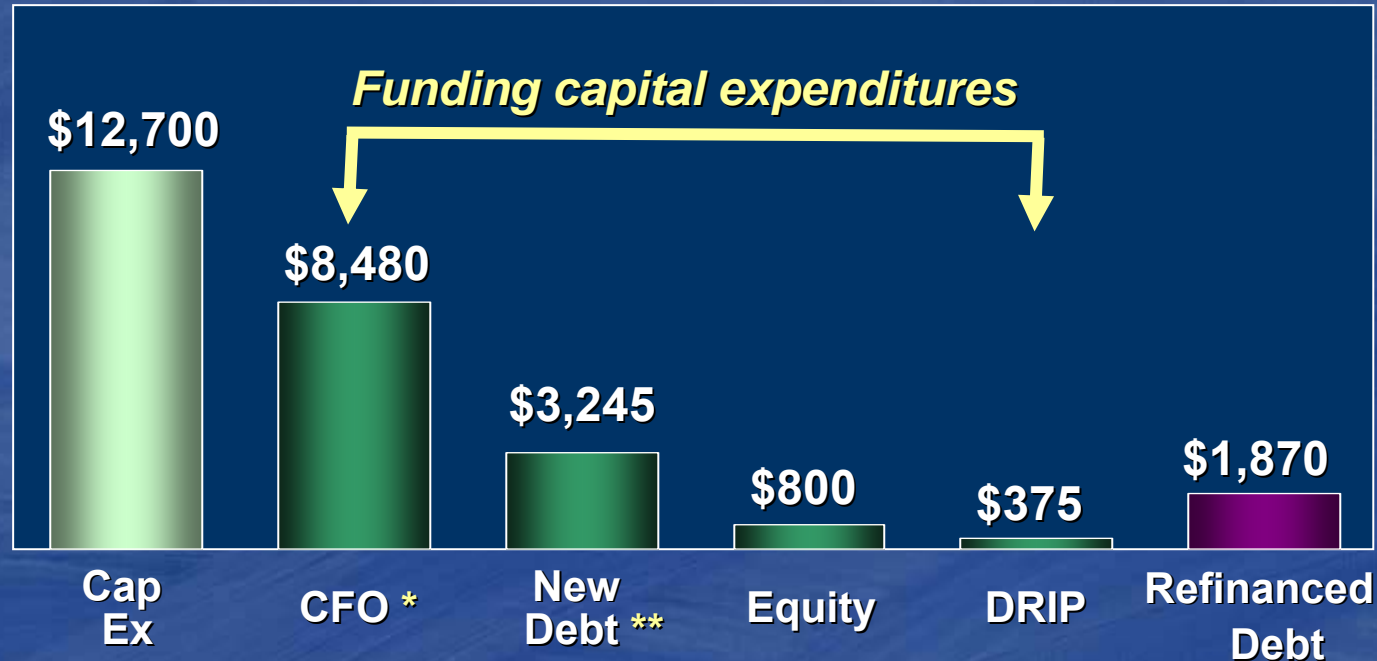
Dollars in millions

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>NSPM</b>	<b>\$850</b>	<b>\$1,080</b>	<b>\$1,470</b>	<b>\$1,290</b>	<b>\$1,090</b>
<b>PSCo</b>	<b>700</b>	<b>820</b>	<b>920</b>	<b>880</b>	<b>760</b>
<b>SPS</b>	<b>300</b>	<b>280</b>	<b>450</b>	<b>420</b>	<b>530</b>
<b>NSPW</b>	<u><b>150</b></u>	<u><b>170</b></u>	<u><b>160</b></u>	<u><b>210</b></u>	<u><b>170</b></u>
<b>Total</b>	<b>\$2,000</b>	<b>\$2,350</b>	<b>\$3,000</b>	<b>\$2,800</b>	<b>\$2,550</b>

**Capital investment 2011-2015 = \$12.7 billion**

# Projected Financing Plan 2011–2015

Dollars in millions



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

\*\* Reflects a combination of short and long-term debt

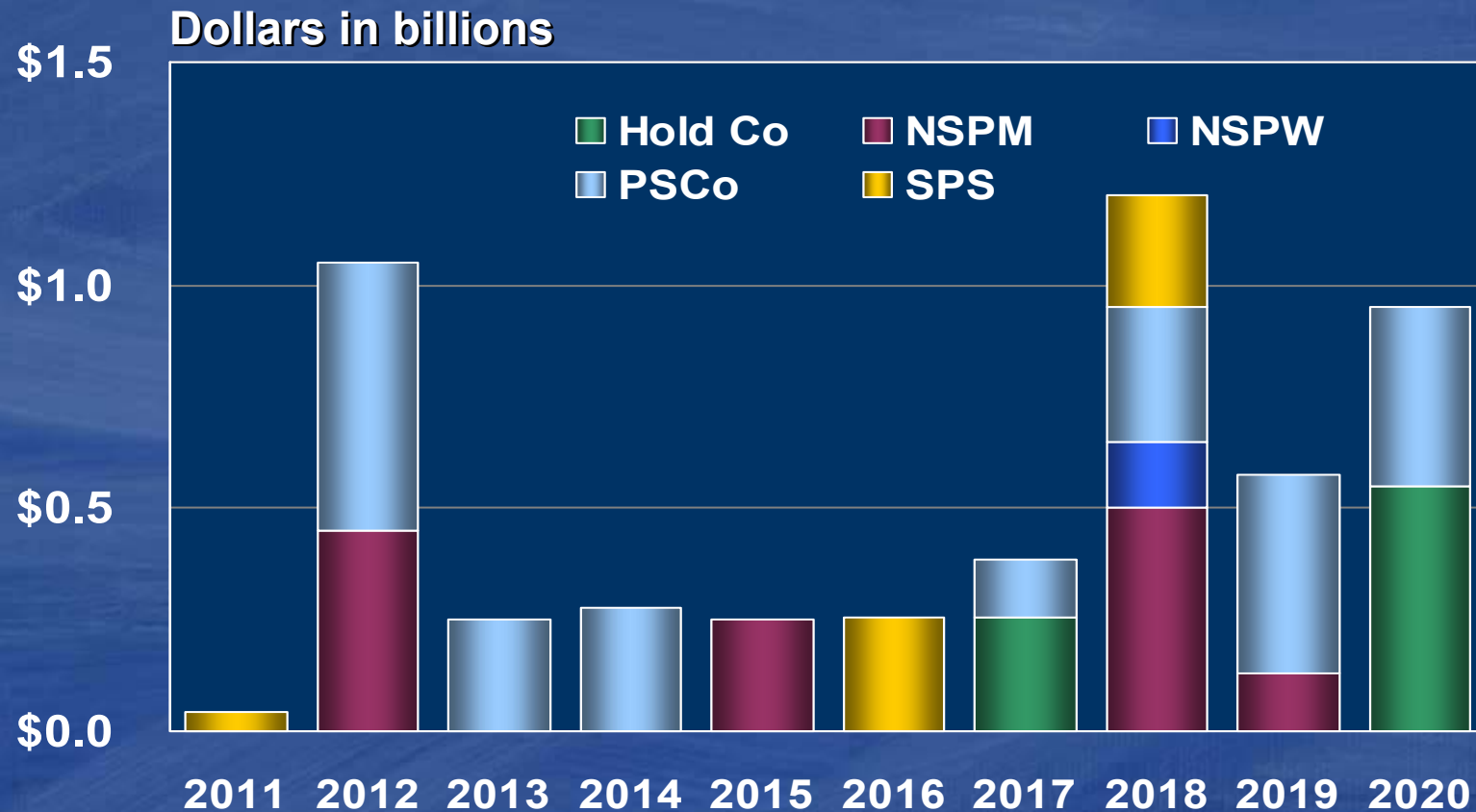
# Strong Balance Sheet

As of March 31, 2011

	<u>Millions</u>	<u>Percent</u>
<b>Equity</b>	<b>\$ 8,181</b>	<b>45.1%</b>
<b>Preferred Equity</b>	<b>105</b>	<b>0.6%</b>
<b>Current Portion LT Debt</b>	<b>55</b>	<b>0.3%</b>
<b>Short-term Debt</b>	<b>532</b>	<b>2.9%</b>
<b>Long-term Debt *</b>	<b>9,264</b>	<b>51.1%</b>
<b>Total Capitalization</b>	<b>\$18,137</b>	<b>100.0%</b>

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

# Manageable Debt Maturities



# Minnesota Electric Rate Case

- Seeking a 2011 rate increase of \$126.4 million
  - Based on a 2011 forecast test year
  - ROE of 10.85% and equity ratio of 52.56%
  - Rate base of \$5.6 billion
- Seeking 2012 step-in rate increase of \$44.7 million
- MPUC approved an interim rate increase of \$123 million, subject to refund, effective January 2, 2011
- Expect a decision by fourth quarter 2011

# North Dakota Electric Rate Case

- Seeking a 2011 rate increase of \$19.8 million, or 12%
  - Based on a 2011 forecast test year
  - ROE of 11.25% and equity ratio of 52.56%
  - Rate base of \$328 million
- Seeking 2012 step-in rate increase of \$4.2 million
- NDPSC approved an interim rate increase of \$17.4 million, subject to refund, effective February 2011
- Anticipate a decision in the fourth quarter of 2011

# Colorado Gas Rate Case

- **Rate increase of \$20.4 million**
  - Based on a 2011 forecast test year
  - ROE of 10.8% and equity ratio of 57.1%
  - Rate base of \$1.1 billion
- **Anticipate a decision in June 2011**

# New Mexico Electric Rate Case

- **Seeking a 2012 rate increase of \$19.9 million**
  - **Based on a 2011 forecast test year adjusted for 2012 known and measurable changes**
  - **ROE of 11.25% and equity ratio of 51.11%**
  - **Rate base of \$390 million**
- **Anticipate rates to be effective beginning of 2012**

# Colorado Electric Wholesale

- **Rate increase of \$16.1 million**
  - **Based on a 2011 forecast test year**
  - **ROE of 10.9% and equity ratio of 57.1%**
  - **Rate base of \$407 million**
- **Rates effective September 2011, subject to refund**

# Michigan Electric Rate Case

- Requested rate increase of \$1.1 million
  - Based on a 2011 test year
  - ROE of 10.75% and equity ratio of 52.3%
  - Rate base of \$22 million