

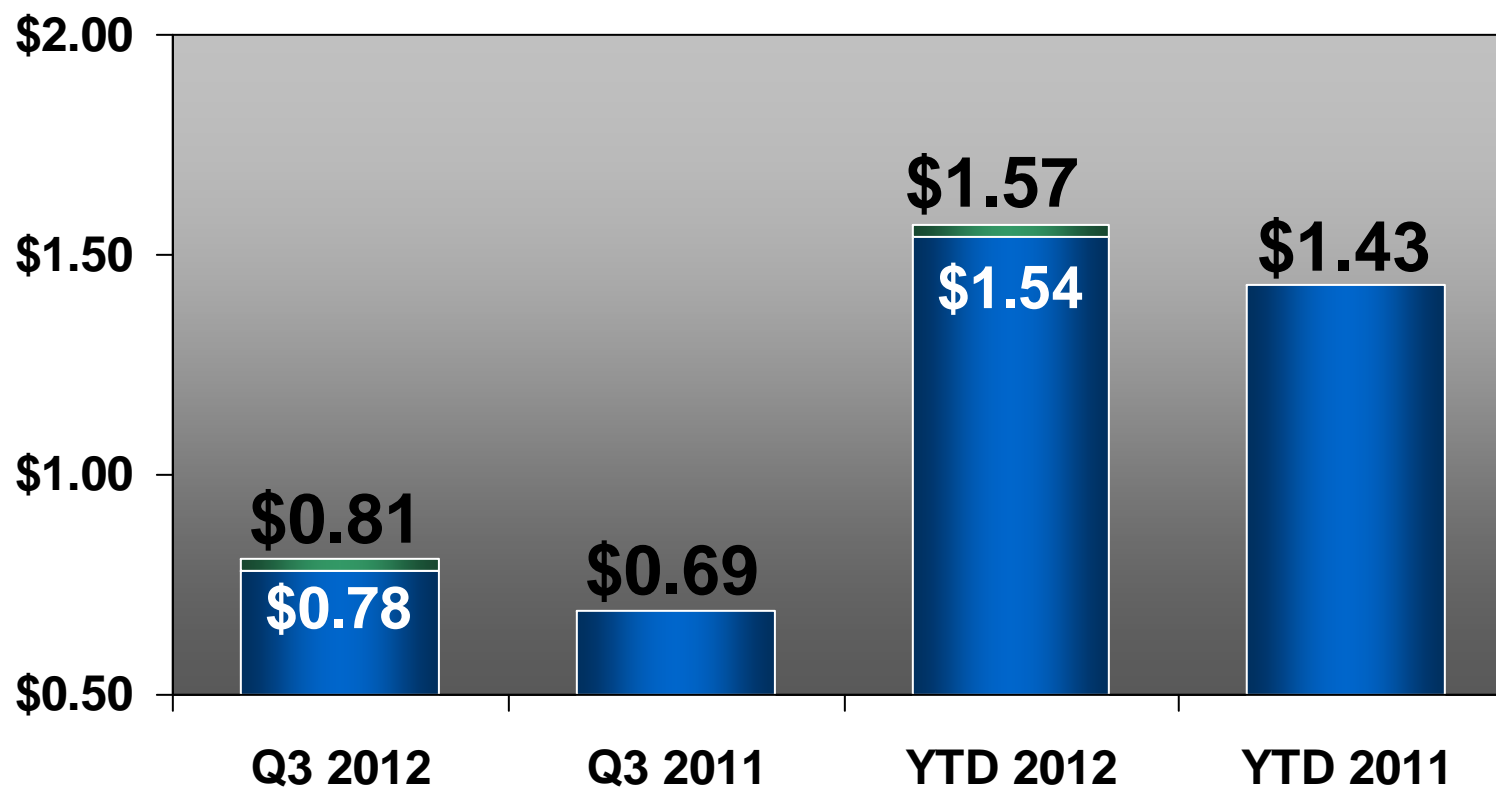


# **Third Quarter 2012 Earnings Release Presentation**

**October 25, 2012**



# GAAP Earnings Per Share\*



\* 2012 Q3 and YTD GAAP EPS include \$0.03 per share income tax benefit



# EPS Results

	<u>Third Quarter</u>		<u>YTD</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
PSCo	\$ 0.36	\$ 0.29	\$ 0.75	\$ 0.63
NSP-Minnesota	0.28	0.29	0.57	0.62
SPS	0.12	0.10	0.20	0.17
NSP-Wisconsin	0.04	0.04	0.09	0.09
Equity earnings	<u>0.01</u>	<u>0.01</u>	<u>0.03</u>	<u>0.03</u>
Regulated utility	0.81	0.73	1.64	1.54
Holding company and other	<u>(0.03)</u>	<u>(0.04)</u>	<u>(0.10)</u>	<u>(0.11)</u>
<b>Ongoing EPS</b>	<b>0.78</b>	<b>0.69</b>	<b>1.54</b>	<b>1.43</b>
Prescription drug tax benefit	<u>0.03</u>	<u>-</u>	<u>0.03</u>	<u>-</u>
<b>GAAP EPS</b>	<b>\$0.81</b>	<b>\$0.69</b>	<b>\$1.57</b>	<b>\$1.43</b>



## EPS Change from Prior Year

	<u>Third Quarter</u>	<u>YTD</u>
<b>2011 GAAP and Ongoing EPS</b>	<b>\$ 0.69</b>	<b>\$ 1.43</b>
Higher electric margins	0.07	0.09
Higher natural gas margins	0.02	-
Higher AFUDC - Equity	0.01	0.01
Higher interest charges	(0.01)	(0.02)
Higher taxes (other than income taxes)	(0.01)	(0.04)
Lower conservation and DSM expenses	-	0.03
Lower effective tax rate	-	0.03
Other, net	0.01	0.01
<b>2012 Ongoing EPS</b>	<b>\$ 0.78</b>	<b>\$ 1.54</b>
Prescription drug tax benefit	0.03	0.03
<b>2012 GAAP EPS</b>	<b>\$0.81</b>	<b>\$1.57</b>



## Electric Margin Change from Prior Year

Dollars in millions	<u>Third Quarter 2012 vs. 2011</u>	<u>YTD 2012 vs. 2011</u>
Retail rate increases (CO, TX, NM, WI, SD, ND, MI & MN)	\$ 46	\$ 76
Conservation and DSM incentive	13	18
Transmission revenue, net of costs	11	20
Firm wholesale	(13)	(36)
Conservation and DSM revenue, offset by expenses	-	(7)
Estimated impact of weather	-	(3)
Other, net	-	6
<b>Total Electric Margin Increase</b>	<b>\$ 57</b>	<b>\$ 74</b>



## Gas Margin Change from Prior Year

Dollars in millions	<u>Third Quarter 2012 vs. 2011</u>	<u>YTD 2012 vs. 2011</u>
Pipeline system integrity adjustment rider (CO)	\$ 11	\$ 22
Retail rate increases (CO and WI)	7	16
Return on gas in storage	2	6
Conservation and DSM revenue, partially offset by exp's	(1)	(13)
Estimated impact of weather	-	(28)
Other, net	<u>(2)</u>	<u>(1)</u>
<b>Total Natural Gas Margin Increase</b>	<b>\$ 17</b>	<b>\$2</b>



## Completed 2012 Financing Plan

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<u>Issuer</u>	<u>Bond</u>	<u>Amount (in millions)</u>	<u>Term</u>	<u>Coupon</u>
SPS	FMB	\$100	30-year	4.50%
NSP-MN	FMB	\$300	10-year	2.15%
NSP-MN	FMB	\$500	30-year	3.40%
PSCo	FMB	\$300	10-year	2.25%
PSCo	FMB	\$500	30-year	3.60%
NSP-WI	FMB	\$100	30-year	3.70%



## Pending Rate Cases

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- **Wisconsin electric and gas**
  - Request of \$39.1 million for electric and \$5.3 million for gas
  - The electric case was based on a 2013 forecast test year, electric rate base of \$789 million, 10.4% ROE and a 52.5% equity ratio.
  - Decision is expected in December 2012
- **South Dakota electric**
  - Request of \$19.4 million
  - Based on a 2011 historic test year adjusted for known and measurable items, a rate base of \$368 million, 10.65% ROE and a 52.89% equity ratio
  - Decision is expected in late 2012 or early 2013





# Ongoing Earnings Guidance

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Dollars per share

EPS Range

**2012 EPS**

**\$1.75 – \$1.85**

**2013 EPS**

**\$1.85 - \$1.95**



## 2013 Earnings Guidance Assumptions

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**Xcel Energy's 2013 ongoing earnings guidance of \$1.85 to \$1.95 per share is based on the following assumptions:**

- **Constructive outcomes in all regulatory proceedings**
- **Normal weather throughout the year**
- **Weather-adjusted retail electric utility sales growth of 0.5%:**
  - **PSCo sales growth of approximately 1%**
  - **NSP-M sales decline of approximately 1%**
  - **SPS sales growth of approximately 3%**
  - **NSP-W flat sales**
- **Weather-adjusted retail firm natural gas sales decline of 1.0%**



## 2013 Earnings Guidance Assumptions (continued)

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- O&M expenses are projected to increase 4-5%
- Depreciation expense is projected to increase \$70-\$80 million
- Property taxes are projected to increase approximately \$35 million
- Interest expense is expected to decrease \$30-\$35 million
- AFUDC-Equity is projected to increase \$15-\$20 million
- Effective tax rate is projected to be 34-36%
- Average common stock and equivalents are projected to be within a range of 490-500 million shares