



# THIRD QUARTER 2022 EARNINGS REPORT PRESENTATION

OCTOBER 27, 2022

## Safe Harbor

Except for the historical statements contained in this presentation, the matters discussed herein are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements, including those relating to 2022 and 2023 EPS guidance, long-term EPS and dividend growth rate objectives, future sales, future expenses, future tax rates, future operating performance, estimated base capital expenditures and financing plans, projected capital additions and forecasted annual revenue requirements with respect to rider filings, expected rate increases to customers, expectations and intentions regarding regulatory proceedings, and expected impact on our results of operations, financial condition and cash flows of resettlement calculations and credit losses relating to certain energy transactions, as well as assumptions and other statements are intended to be identified in this document by the words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should,” “will,” “would” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy’s Annual Report on Form 10-K for the fiscal year ended Dec. 31, 2021 and subsequent filings with the Securities and Exchange Commission, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: uncertainty around the impacts and duration of the COVID-19 pandemic, including potential workforce impacts resulting from vaccination requirements, quarantine policies or government restrictions, and sales volatility; operational safety, including our nuclear generation facilities and other utility operations; successful long-term operational planning; commodity risks associated with energy markets and production; rising energy prices and fuel costs; qualified employee workforce and third-party contractor factors; violations of our Codes of Conduct; ability to recover costs, changes in regulation and subsidiaries’ ability to recover costs from customers; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including inflation rates, monetary fluctuations, supply chain constraints and their impact on capital expenditures and/or the ability of Xcel Energy Inc. and its subsidiaries to obtain financing on favorable terms; availability or cost of capital; our customers’ and counterparties’ ability to pay their debts to us; assumptions and costs relating to funding our employee benefit plans and health care benefits; our subsidiaries’ ability to make dividend payments; tax laws; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather; natural disasters and resource depletion, including compliance with any accompanying legislative and regulatory changes; costs of potential regulatory penalties; regulatory changes and/or limitations related to the use of natural gas as an energy source; and our ability to execute on our strategies or achieve expectations related to environmental, social and governance matters, including as a result of evolving legal, regulatory, and other standards, processes, and assumptions, the pace of scientific and technological developments, increased costs, the availability of requisite financing, and changes in carbon markets.

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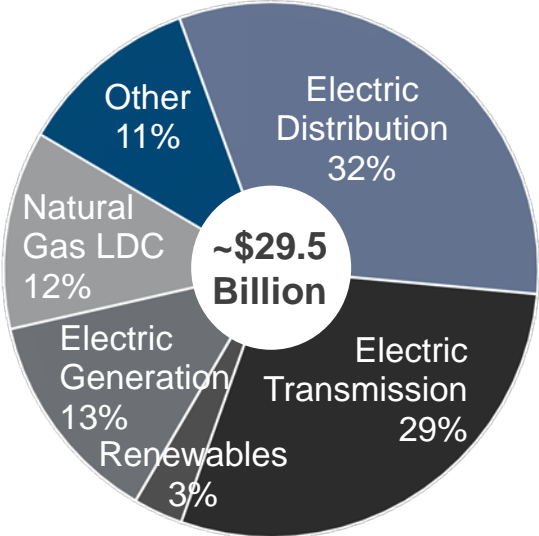
## 2022 Q3 Highlights

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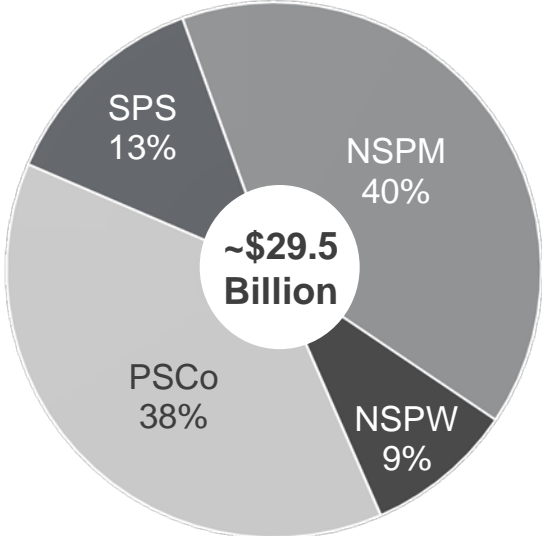
- IRA groundbreaking legislation that reduces cost of renewables for customers, improves cash flow and credit metrics, and improves competitiveness of renewable projects
- Minnesota Commission approved the 460-MW Sherco Solar project
- MSCI upgraded Xcel Energy's ESG rating to AAA from AA
- Named to Investor's Business Daily 100 Best ESG Companies
- Reached a constructive Minnesota natural gas rate case settlement
- Narrowed 2022 EPS guidance to \$3.14 to \$3.19
- Initiated 2023 EPS guidance of \$3.30 to \$3.40
- Issued robust five-year base capital plan of \$29.5 billion, driving rate base growth of 6.5%
- Incremental cap ex of \$2 to \$4 billion would increase rate base growth to 7.6%, at the midpoint

# Robust Base Capital Forecast 2023 - 2027

### Investment by Function



### Investment by Company

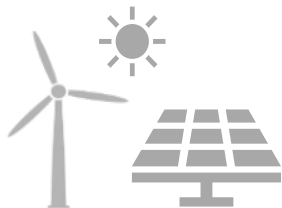


Base capital forecast excludes potential incremental investment associated with resource plans

# Potential Incremental Investment 2023 - 2027

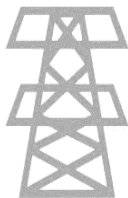
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## \$2.0 - \$4.0 Billion in Incremental Opportunities



### **\$1.5 - \$3.0 Billion Renewables**

~3,500 MW proposed additions across Colorado and Minnesota resource plans, assuming 50% ownership

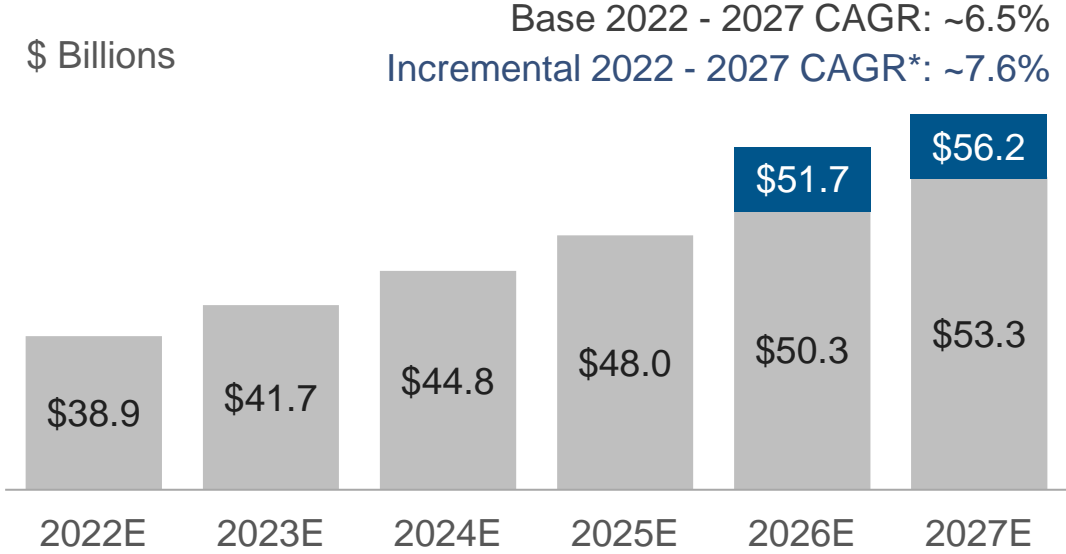


### **\$0.5 - \$1.0 Billion Transmission**

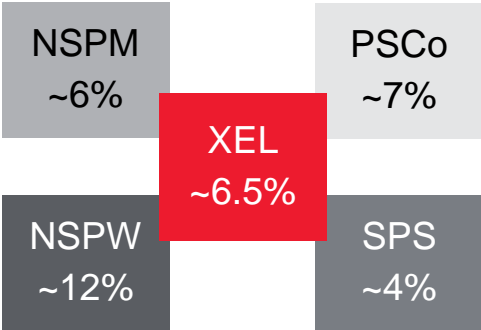
Enables renewables associated with the Colorado resource plan, including network upgrades, voltage support and interconnection work

# Strong Rate Base Growth

## Xcel Energy Consolidated



## Op Co Base CAGRs 2022 - 2027



Op Co CAGRs exclude potential incremental cap ex

\* Rate base growth of 7.6% assumes the midpoint of the incremental cap ex

# Inflation Reduction Act

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## Wind and Solar PTC

- Reduces levelized cost of solar projects by 25-40% and wind projects by 50-60%\*
- Solar PTC reduces cost of utility projects compared to solar ITC

## Nuclear and Hydrogen PTC

- Nuclear PTC provides significant customer credits, depending on MISO marginal pricing
- PTC reduces costs for hydrogen blending for LDC and generation

## Tax Credit Transferability

- Improves cash flows by ~\$1.8 billion and FFO/debt by ~100 bps over the 5-year time period
- Increases financial flexibility and reduces financing needs
- Reduces tax inefficiencies and improves LCOEs for owned projects
- Reduces rate base growth as excess PTCs were previously included as a DTA

## Alternative Minimum Tax (AMT)

- No material impact on Xcel Energy due to PTCs and accelerated depreciation

\* The cost comparison assumes a limited ITC for solar and no PTC for wind projects prior to IRA benefits

# Transparent Resource Plans

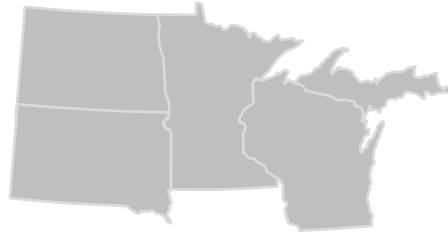
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## 80% Carbon Reduction by 2030, Full Coal Exit by 2034



### PSCo

|                  |             |
|------------------|-------------|
| Carbon reduction | 85%         |
| Full coal exit   | 2030        |
| New renewables   | ~4,000 MW   |
| Spend horizon    | 2025 - 2030 |



### NSPM/NSPW

|                  |             |
|------------------|-------------|
| Carbon reduction | 85%         |
| Full coal exit   | 2030        |
| New renewables   | ~5,800 MW   |
| Spend horizon    | 2024 - 2034 |



### SPS

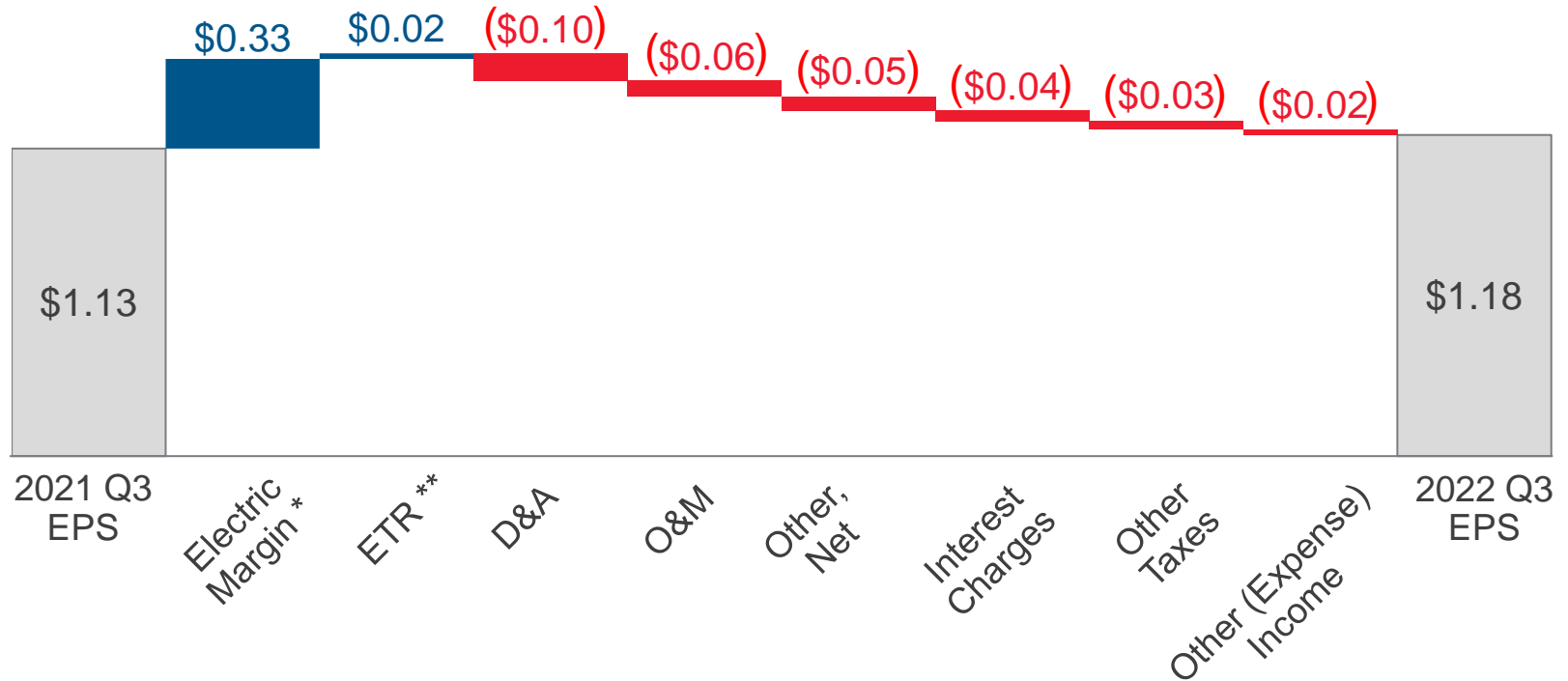
|                  |                 |
|------------------|-----------------|
| Carbon reduction | >70%            |
| Full coal exit   | 2034            |
| New renewables   | ~1,900 MW       |
| Spend horizon    | 2025 and beyond |

## EPS Results by Operating Company

| Operating Company                         | Third Quarter  |                | YTD            |                |
|---|----------------|----------------|----------------|----------------|
|   | 2022           | 2021           | 2022           | 2021           |
| PSCo                                      | \$ 0.45        | \$ 0.40        | \$ 1.02        | \$ 0.96        |
| NSPM                                      | 0.49           | 0.46           | 0.94           | 0.91           |
| SPS                                       | 0.25           | 0.25           | 0.52           | 0.48           |
| NSPW                                      | 0.07           | 0.07           | 0.19           | 0.15           |
| Earnings from equity method investments   | 0.01           | 0.01           | 0.03           | 0.03           |
| Regulated utility                         | 1.28           | 1.19           | 2.69           | 2.54           |
| Holding company and other                 | (0.09)         | (0.06)         | (0.21)         | (0.16)         |
| <b>Total GAAP and ongoing diluted EPS</b> | <b>\$ 1.18</b> | <b>\$ 1.13</b> | <b>\$ 2.48</b> | <b>\$ 2.38</b> |

Amounts may not sum due to rounding

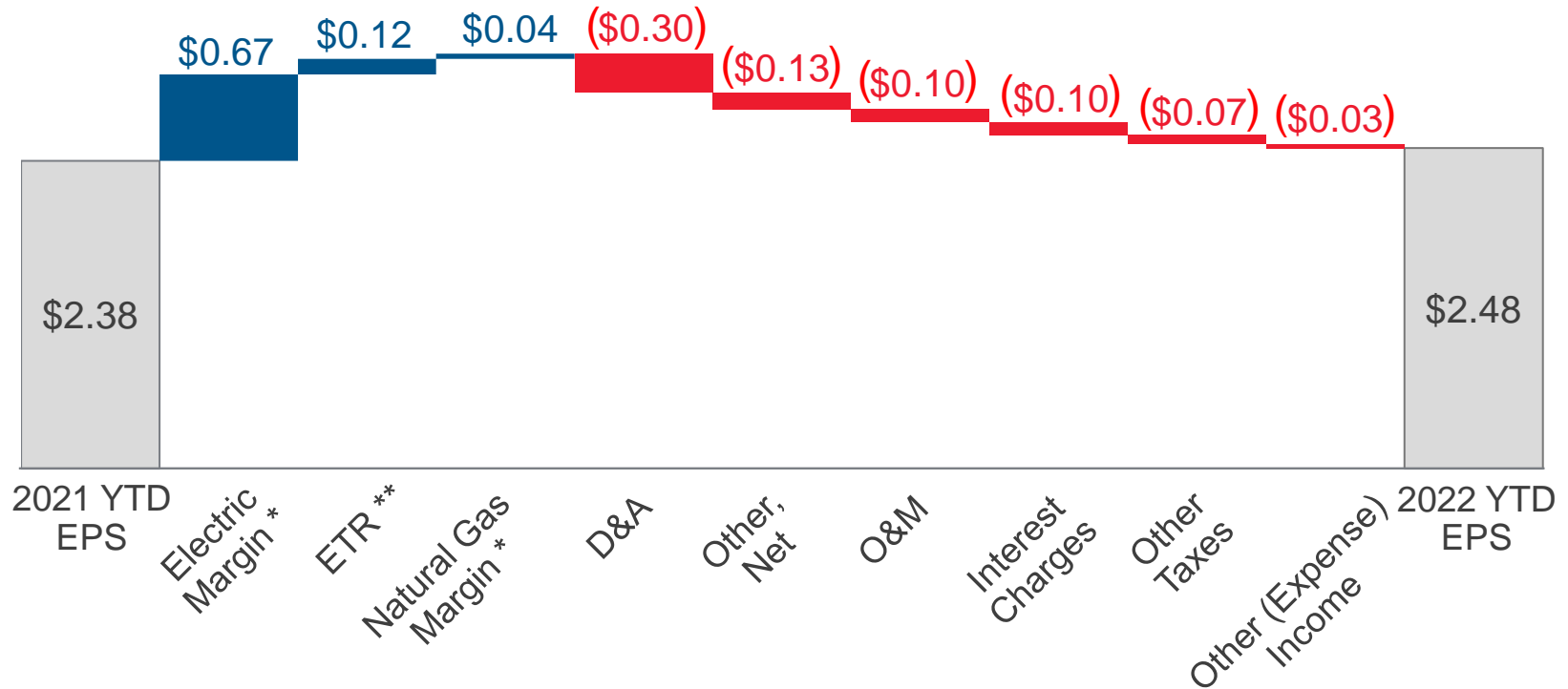
# Quarterly GAAP and Ongoing EPS Change



\* Electric margin includes ~\$0.01 of positive weather impacts (post regulatory mechanisms)

\*\* Includes PTCs and plant regulatory amounts, which are primarily offset in electric margin

# YTD GAAP and Ongoing EPS Change

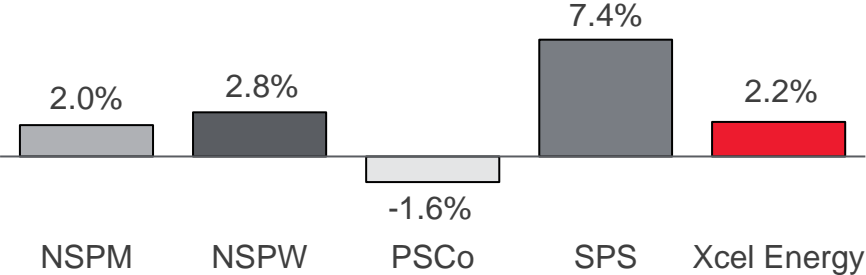


\* Combined electric and natural gas margins include ~\$0.04 of positive weather impacts (post regulatory mechanisms)

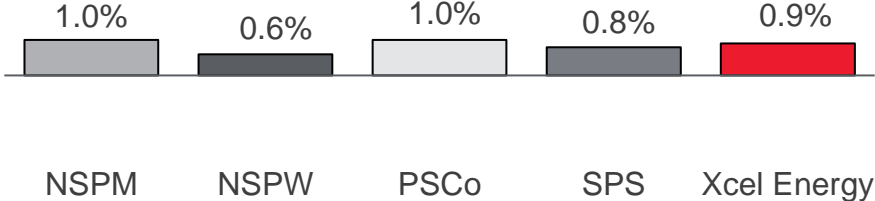
\*\* Includes PTCs and plant regulatory amounts, which are primarily offset in electric margin

# Sales and Customer Data

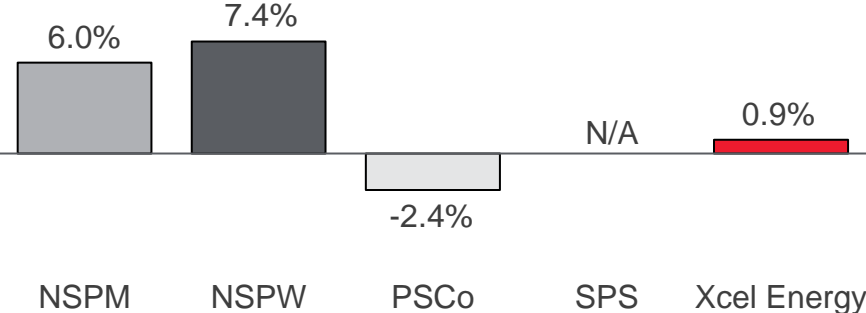
2022 YTD W/A Retail Electric Sales Growth



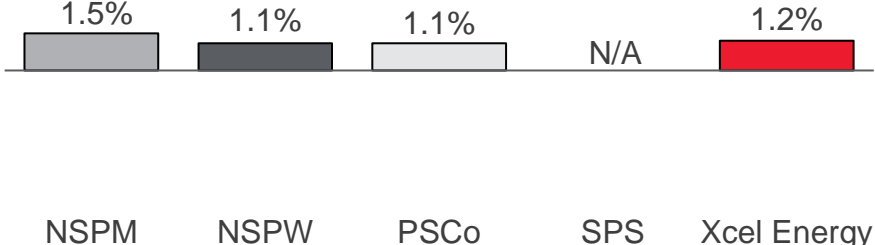
2022 Q3 YoY Electric Customer Growth



2022 YTD W/A Natural Gas Sales Growth



2022 Q3 YoY Natural Gas Customer Growth



# Uri Storm Cost Recovery

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## NSPM

- Minnesota approved full Uri cost recovery with exception of a \$19 million disallowance  
Recovery period (started in September 2021): C&I 27 months and residential 63 months
- North Dakota approved full Uri cost recovery over 15 months (starting in July 2021)
- South Dakota no Uri cost recovery issues

## NSPW

- Wisconsin and Michigan have fully recovered all Uri costs

## PSCo

- Colorado approved full Uri cost recovery with exception of an \$8 million disallowance  
Recovery period (started August 2022): electric 24 months and natural gas 30 months

## SPS

- New Mexico approved full Uri cost recovery over 24 months (started in May 2021)
- Texas interim recovery over 24 months (started in April 2022). Final PUCT decision is pending

# NSPM Minnesota Natural Gas Rate Case

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Proceeding No. 21-678

- In November 2021, NSPM filed a natural gas rate case:
  - Requesting rate increase of ~\$36 million
  - ROE of 10.5% and equity ratio of 52.50%
  - Rate base of ~\$934 million
  - 2022 forward test year
- In 2021, the MPUC approved interim rates of \$25 million, effective January 2022 (subject to refund)
- In October 2022, NSPM and various parties reached a settlement on a ~\$21 million rate increase, based on a 9.57% ROE and a 52.5% equity ratio. Includes decoupling and a property tax tracker.
- Decision expected 2023 H1

# NSPM Minnesota Electric Rate Case

Proceeding No. 21-630

- In October 2021, NSPM filed a three-year electric rate case:
  - Requesting rate increase of \$677 million over three years
  - ROE of 10.2% and equity ratio of 52.5%
  - 2022 - 2024 forward test years

| <b>\$ Millions, Except Percentages</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>Total</b> |
|--|-------------|-------------|-------------|--------------|
| Rate request                           | \$396       | \$150       | \$131       | \$677        |
| Increase                               | 12.2%       | 4.8%        | 4.2%        | 21.2%        |
| Rate base                              | \$10,931    | \$11,446    | \$11,918    | N/A          |

- In 2021, the MPUC approved interim rates of \$247 million, effective January 2022 (subject to refund)
- In Sept. 2022, NSPM requested an increase to interim rates of \$122 million, effective Jan. 2023
- In Oct. 2022, the DOC recommended a three-year rate increase of \$274 million, ROE of 9.25%, and equity ratio of 52.5%. Adjustments: \$94 million of customer credits for MISO capacity auction and \$51 million for depreciation life extension of Monticello nuclear plant and wind farms, \$43 million for PTCs.
- Decision expected 2023 Q2

# PSCo Colorado Natural Gas Rate Case

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Proceeding No. 22AL-0046G

- In January 2022, PSCo filed a natural gas rate case:
  - Requesting a revised net base rate increase of ~\$94 million in 2022, with incremental step increases of \$40 million in 2023 and \$41 million in 2024
  - Total revised change to base rates is \$202 million, reflecting the transfer of \$108 million previously recovered through the Pipeline System Integrity Adjustment rider
  - ROE of 10.25% and equity ratio of 55.66%
  - Rate base of ~\$3.6 billion
  - 2022 current test year
- In October 2022, the Colorado Commission approved:
  - Rate increase of \$64 million
  - Increased depreciation expense \$16 million
  - WACC of 6.7%, reflecting an ROE of 9.2% to 9.5% and equity ratio of 52% to 55%
  - 2021 historic test year with year-end rate base
  - Denied step increases for 2023 and 2024
- Rates effective November 2022

# Base Capital Expenditures by Function

\$ Millions

|                       | 2023           | 2024           | 2025           | 2026           | 2027           | Total           |
|-----------------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Electric Distribution | \$1,610        | \$1,790        | \$1,680        | \$2,000        | \$2,450        | \$9,530         |
| Electric Transmission | \$1,280        | \$1,650        | \$1,890        | \$1,690        | \$1,900        | \$8,410         |
| Electric Generation   | \$710          | \$910          | \$900          | \$560          | \$650          | \$3,730         |
| Natural Gas           | \$740          | \$730          | \$760          | \$650          | \$680          | \$3,560         |
| Other                 | \$780          | \$840          | \$570          | \$510          | \$540          | \$3,240         |
| Renewables            | \$280          | \$280          | \$470          | \$0            | \$0            | \$1,030         |
| <b>Total</b>          | <b>\$5,400</b> | <b>\$6,200</b> | <b>\$6,270</b> | <b>\$5,410</b> | <b>\$6,220</b> | <b>\$29,500</b> |

Base capital forecast excludes potential incremental investment associated with resource plans

# Base Capital Expenditures by Company

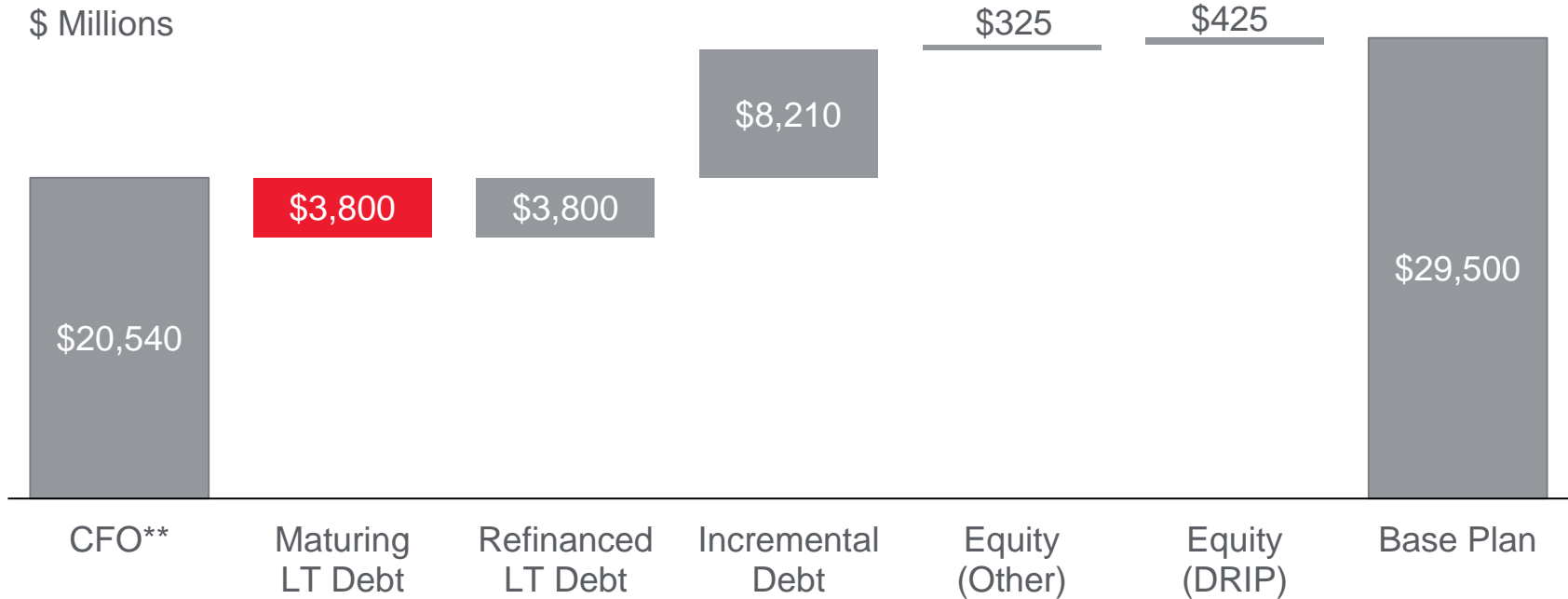
\$ Millions

|              | 2023           | 2024           | 2025           | 2026           | 2027           | Total           |
|--------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| NSPM         | \$2,000        | \$2,400        | \$2,530        | \$2,200        | \$2,580        | \$11,710        |
| NSPW         | \$540          | \$570          | \$500          | \$450          | \$540          | \$2,600         |
| PSCo         | \$2,140        | \$2,440        | \$2,550        | \$1,980        | \$2,190        | \$11,300        |
| SPS          | \$710          | \$780          | \$720          | \$770          | \$900          | \$3,880         |
| Other*       | \$10           | \$10           | (\$30)         | \$10           | \$10           | \$10            |
| <b>Total</b> | <b>\$5,400</b> | <b>\$6,200</b> | <b>\$6,270</b> | <b>\$5,410</b> | <b>\$6,220</b> | <b>\$29,500</b> |

Base capital forecast excludes potential incremental investment associated with resource plans

\* Includes intercompany transfers for renewable equipment

# Financing Plan 2023 - 2027\*



\* Financing plans are subject to change

\*\* Cash from operations is net of dividends and pension funding

## Strong Credit Metrics

| Plan                    | 2023  | 2024  | 2025  | 2026  | 2027  |
|-------------------------|-------|-------|-------|-------|-------|
| FFO/Debt                | ~18%  | ~19%  | ~18%  | ~18%  | ~18%  |
| Debt/EBITDA             | 4.9x  | 4.9x  | 4.9x  | 4.9x  | 4.9x  |
| Equity Ratio            | 40%   | 40%   | 40%   | 40%   | 40%   |
| Hold Co Debt/Total Debt | 24.1% | 24.3% | 24.9% | 24.7% | 24.9% |

| Credit Ratings        | Moody's | S&P  | Fitch |
|-----------------------|---------|------|-------|
| Xcel Energy Unsecured | Baa1    | BBB+ | BBB+  |
| NSPM Secured          | Aa3     | A    | A+    |
| NSPW Secured          | Aa3     | A    | A+    |
| PSCo Secured          | A1      | A    | A+    |
| SPS Secured           | A3      | A    | A-    |

Credit metrics based on base capital plan, include tax credit transferability and do not reflect rating agency adjustments

The credit metrics reflect the incremental debt issued for the assumed lag in Uri fuel cost recovery, which are pending regulatory decisions. FFO doesn't include impacts of regulatory lag for fuel recovery (a working capital adjustment).

## 2022 GAAP & Ongoing EPS Guidance Narrowed: \$3.14 - \$3.19

| Earnings Drivers                  | Key Assumptions (as compared to 2021 levels unless noted)  |
|-----------------------------------|--|
| Regulatory proceedings            | Constructive outcomes in all proceedings                   |
| Weather                           | Normal weather patterns for the remainder of the year      |
| W/A retail electric sales         | Increase of ~2%  |
| W/A retail firm natural gas sales | Increase of ~1%  |
| Capital riders (net of PTCs)      | Remain relatively flat; change is largely earnings neutral |
| O&M expenses                      | Increase of ~4%  |
| Depreciation expense              | Increase \$295 - \$305 million                             |
| Property taxes                    | Increase \$35 - \$45 million                               |
| Interest exp. (net of AFUDC-debt) | Increase \$100 - \$110 million                             |
| AFUDC-equity                      | Remain relatively flat                                     |
| Effective tax rate (net of PTCs)  | ~(7%) to (9%)  |

Ongoing earnings is calculated using net income and adjusting for certain nonrecurring or infrequent items that are, in management's view, not reflective of ongoing operations. Ongoing earnings could differ from those prepared in accordance with GAAP due to unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing EPS to corresponding GAAP EPS.

## 2023 GAAP and Ongoing EPS Guidance: \$3.30 - \$3.40

| Earnings Drivers                  | Key Assumptions (as compared to 2022 projected levels unless noted) |
|-----------------------------------|---|
| Regulatory proceedings            | Constructive outcomes in all proceedings                            |
| Weather                           | Normal weather patterns for of the year                             |
| W/A retail electric sales         | Increase of ~1%   |
| W/A retail firm natural gas sales | Remain relatively flat  |
| Capital riders (net of PTCs)      | Increase \$70 - \$80 million  |
| O&M expenses                      | Remain relatively flat  |
| Depreciation expense              | Increase \$140 - \$150 million                                      |
| Property taxes                    | Increase \$35 - \$45 million  |
| Interest exp. (net of AFUDC-debt) | Increase \$110 - \$120 million                                      |
| AFUDC-equity                      | Increase \$0 - \$10 million   |
| Effective tax rate (net of PTCs)  | ~(5%) to (7%)   |

Ongoing earnings is calculated using net income and adjusting for certain nonrecurring or infrequent items that are, in management's view, not reflective of ongoing operations. Ongoing earnings could differ from those prepared in accordance with GAAP due to unplanned and/or unknown adjustments. Xcel Energy is unable to forecast if any of these items will occur or provide a quantitative reconciliation of the guidance for ongoing EPS to corresponding GAAP EPS.

# APPENDIX

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# Colorado Resource Plan

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## 85% Carbon Reduction & Coal Exit by 2030



### Full coal exit by 2030

- Hayden 1 & 2 (233 MW) retire 2028/2027
- Pawnee (505 MW) conversion to natural gas no later than January 2026
- Comanche 3 (500 MW) retires by 2030; reduced operations begin 2025



### Significant renewable additions

- ~2,400 MW wind
- ~1,600 MW universal scale solar
- ~1,200 MW distributed solar



### Firm peaking capacity

- ~1,300 MW flexible resources
- ~400 MW storage



### Transmission expansion (approved)

Pathway enables additional renewables while improving reliability

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June 2022  
Plan approved



2022 Q4  
RFPs issued



2023 H2  
Anticipated Commission decision

# Minnesota Resource Plan

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## 85% Carbon Reduction & Coal Exit by 2030



### Full coal exit by 2030

- King (511 MW) retire 2028
- Sherco 3 (517 MW) retire 2030



### Firm peaking capacity (reliability driven)

- 800 MW of hydrogen ready CTs
- 300 MW of repowered black start CTs
- Additional 1,900 MW needed in 2030 and beyond



### Significant renewable additions

- 2,500 MW universal scale solar
- 2,150 MW wind
- Additional 1,100 MW beyond 2032



### Nuclear extension (Monticello to 2040)



### Transmission infrastructure to enable new renewables

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February 2022  
Plan approved



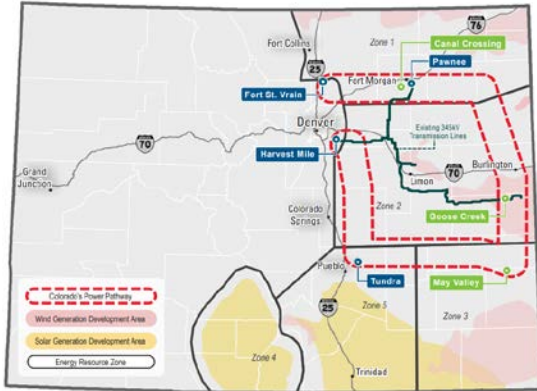
2022 Q3  
RFPs issued



2023 H2  
Anticipated Commission decision

\* CTs will go through a certificate of need process for final approval

# Transmission Expansion - Colorado Pathway



## \$1.7 Billion Transmission Backbone - Approved

- Enables ~5,500 MW of renewable generation
- ~560 miles of 345 kV lines; three new, four expanded substations
- Settlement reached November 2021, including the \$1.7 billion estimate and rider recovery
- Commission approved February 2022

## Potential Incremental Investment of \$0.5 - \$1.0 Billion

- Network upgrades, voltage support and interconnections (determined once resource mix and location have been identified as part of Colorado resource plan)
- Conditionally approved ~90-mile May Valley-Longhorn line extension, with investment potential of ~\$250 million

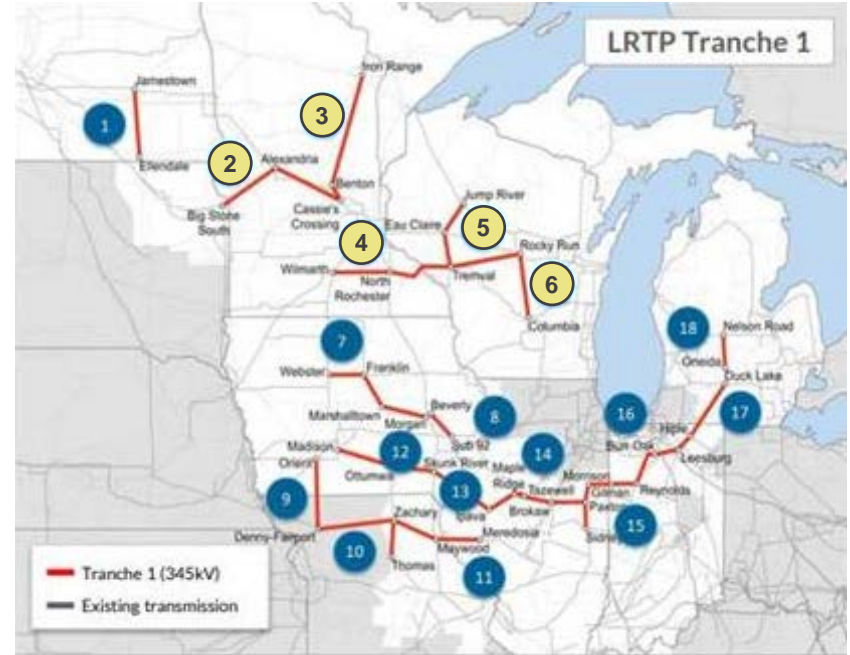
# Transmission Expansion - MISO Tranche 1

## MISO Tranche 1 (in service by 2030)

- 18 projects totaling \$10.3 billion

## Xcel Energy Preliminary Estimates

- ~\$1.2 billion based on the following:\*
  - ② Alexandria - Cassie's Crossing
  - ③ Iron Range - Benton - Cassie's Crossing
  - ④ Wilmarth - North Rochester - Tremval
  - ⑤ Tremval - Eau Claire - Jump River
  - ⑥ Tremval - Rocky Run
- Certificates of need required (~12-month process)



Source: MISO with slight modifications

\* Assumes all or a portion of each project based on MISO's costs/tariffs and Minnesota ROFR law

# NSPM North Dakota Natural Gas Rate Case

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Proceeding No. PU-21-381

- In September 2021, NSPM filed a natural gas rate case seeking a \$7 million rate increase
  - Revised rate increase to ~\$6 million in April 2022
  - ROE of 10.5% and equity ratio of 52.54%
  - Revised rate base of ~\$115 million
  - 2022 forward test year
- Commission approved interim rates of \$7 million effective November 1, 2021 (subject to refund)
- In May 2022, NSPM and Staff reached a settlement on a \$5 million rate increase, based on a 9.8% ROE and a 52.54% equity ratio
- Decision expected 2022 Q4

# NSPM South Dakota Electric Rate Case

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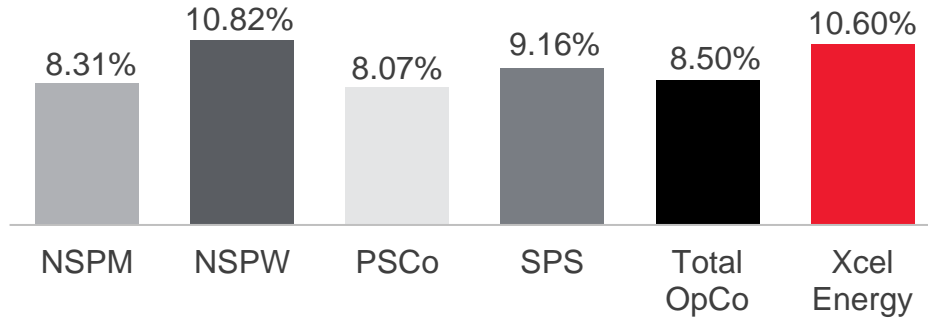
Proceeding No. EL22-017

- In June 2022, NSPM filed an electric rate case requesting:
  - Rate increase of ~\$44 million
  - ROE of 10.75% and equity ratio of 53%
  - Rate base of ~\$947 million
  - 2021 historic test year
- Rates expected to be effective in 2023 Q1

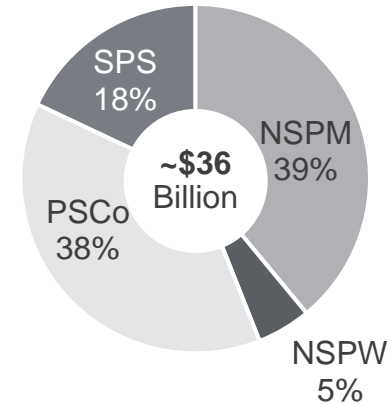
# ROE Results – GAAP and Ongoing Earnings

## GAAP and Ongoing ROE

Twelve Months Ended 9/30/2022



## 2021 Rate Base



# 2023 Debt Financing Plan

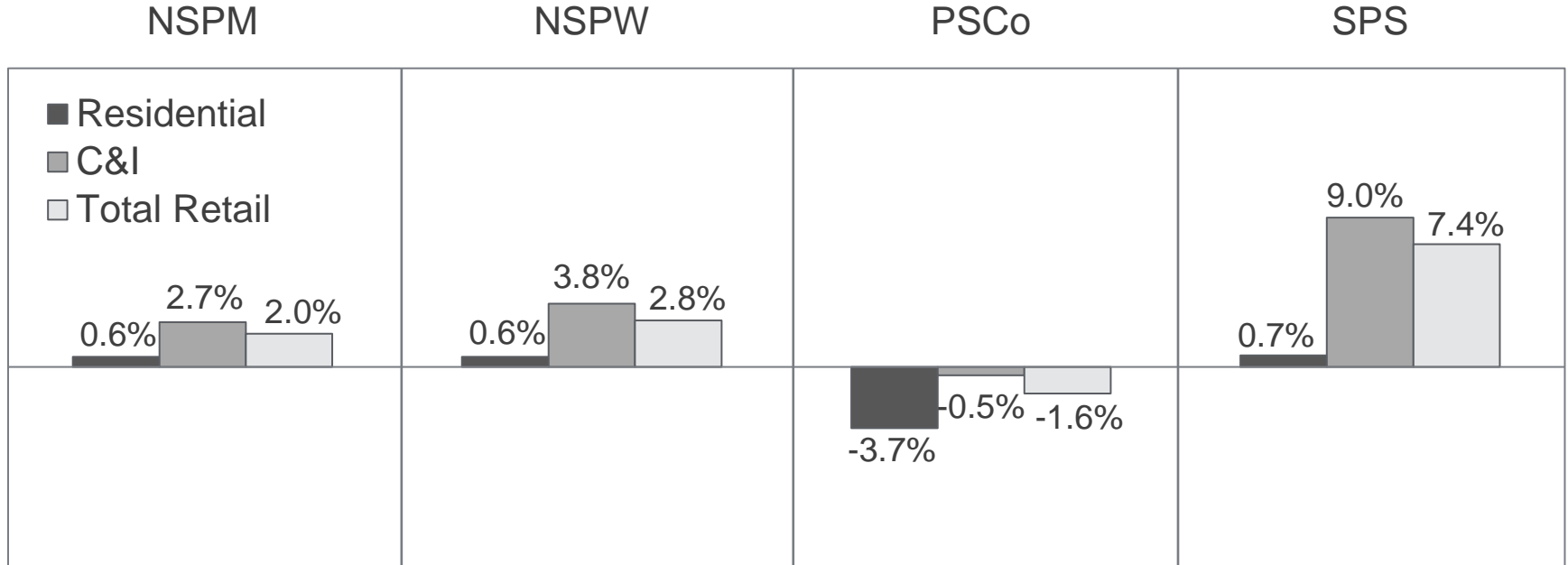
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\$ Millions

| <b>Issuer</b> | <b>Security</b>        | <b>Amount</b> |
|---------------|------------------------|---------------|
| Hold Co       | Senior Unsecured Bonds | \$450         |
| NSPM          | First Mortgage Bonds   | \$650         |
| NSPW          | First Mortgage Bonds   | \$150         |
| PSCo          | First Mortgage Bonds   | \$650         |
| SPS           | First Mortgage Bonds   | \$100         |

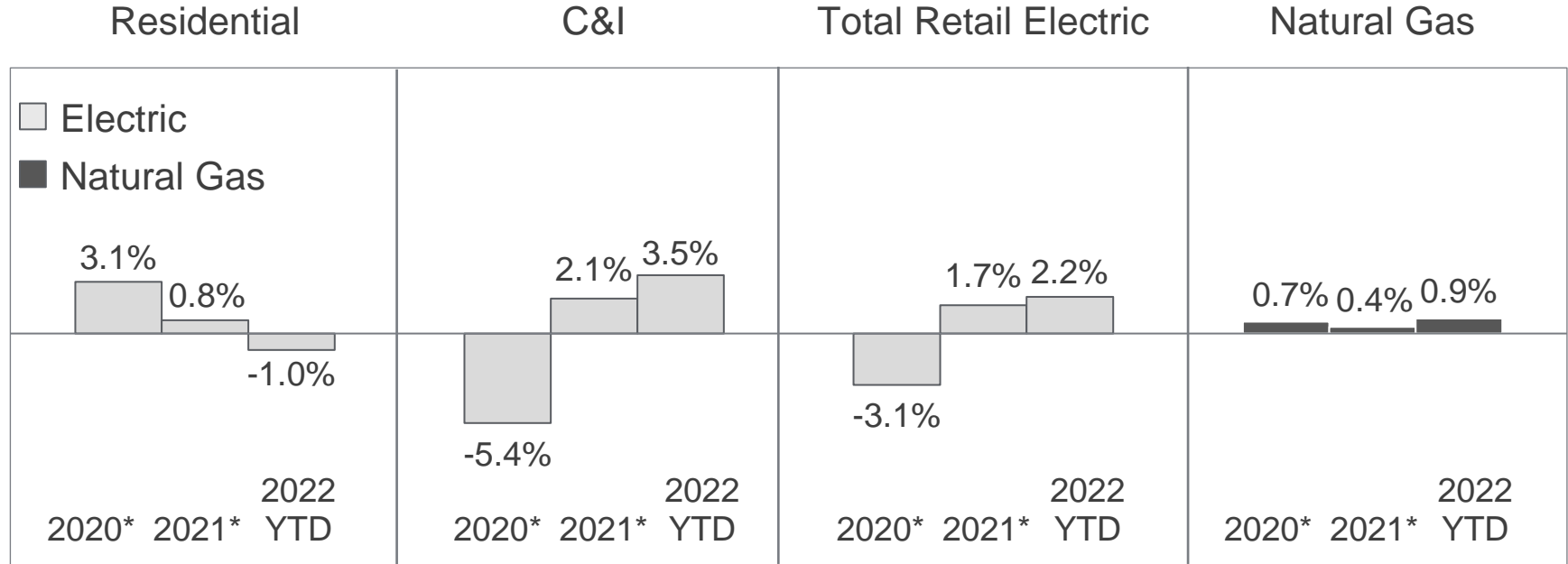
Financing plans are subject to change, depending on capital expenditures, regulatory outcomes, internal cash generation, market conditions, changes in tax policies and other factors

# 2022 YTD W/A Electric Sales Growth



Extreme weather variations, windchill and cloud cover may not be reflected in growth (decline) estimates

# Xcel Energy W/A Sales Growth

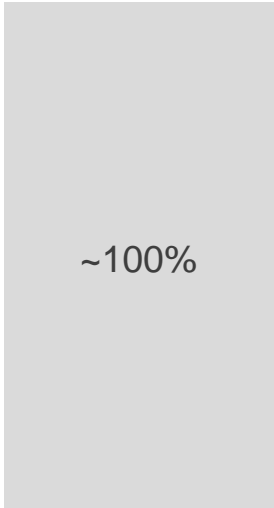


\* Leap year adjusted

Extreme weather variations, windchill and cloud cover may not be reflected in growth (decline) estimates

# Pension Profile

## Funded Status and Assumptions



~100%

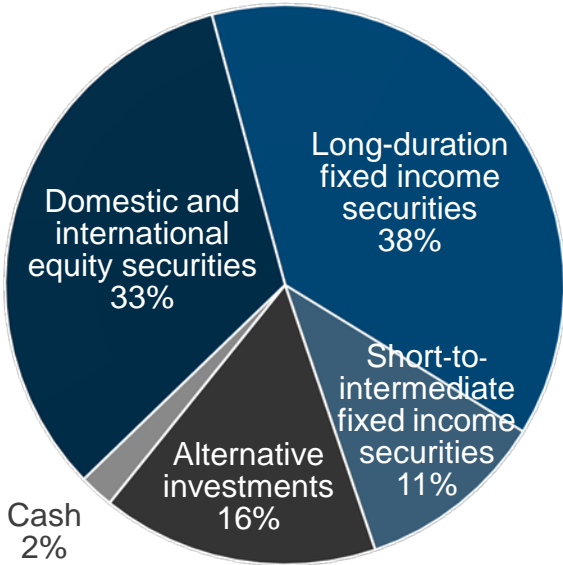
**Discount Rate**  
3.08%

**Return**  
6.49%

**Trackers**  
MN, WI, CO, TX

Estimate as of 10/17/2022

## Target Asset Allocation



## 2022 Q4 Events

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| Events                   | Dates          |
|--------------------------|----------------|
| EEI Financial Conference | November 13-15 |
| Mizuho Conference        | November 28    |
| Wells Fargo Conference   | December 8     |

