



# 2023 YEAR END EARNINGS REPORT PRESENTATION

January 25, 2024



## 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 2024 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, 2022 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: 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; our ability to recover costs and our subsidiaries’ ability to recover costs from customers; changes in regulation; reductions in our credit ratings and the cost of maintaining certain contractual relationships; general economic conditions, including recessionary conditions, 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; uncertainty regarding epidemics, the duration and magnitude of business restrictions including shutdowns (domestically and globally), the potential impact on the workforce, including shortages of employees or third-party contractors due to quarantine policies, vaccination requirements or government restrictions, impacts on the transportation of goods and the generalized impact on the economy; effects of geopolitical events, including war and acts of terrorism; cybersecurity threats and data security breaches; seasonal weather patterns; changes in environmental laws and regulations; climate change and other weather events; natural disaster and resource depletion, including compliance with any accompanying legislative and regulatory changes; costs of potential regulatory penalties and wildfire damages in excess of liability insurance coverage; regulatory changes and/or limitations related to the use of natural gas as an energy source; challenging labor market conditions and our ability to attract and retain a qualified workforce; 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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# 2023 Highlights

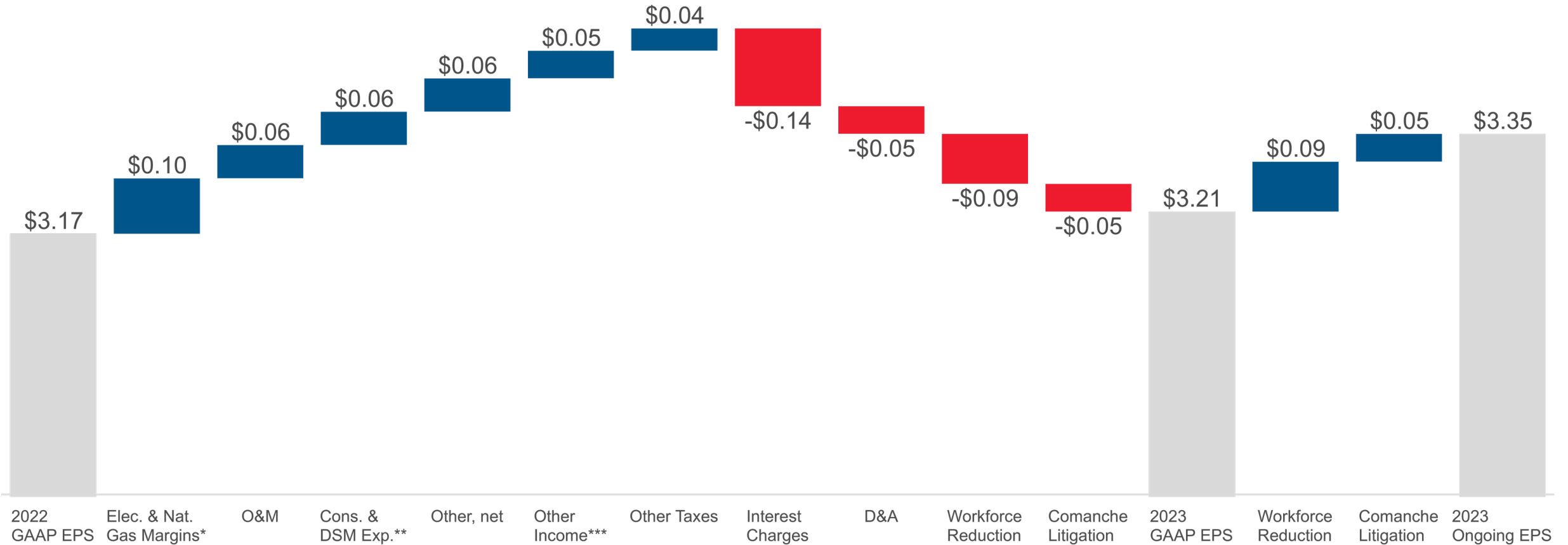
- Delivered ongoing EPS of \$3.35, representing the 19<sup>th</sup> consecutive year of meeting or exceeding guidance
- Raised annual dividend 6.7%, representing the 20<sup>th</sup> consecutive annual increase
- Strong line of sight to achieve our 5-7% long-term EPS growth rate
- Updated our base 5-year capital plan to \$39 billion, which reflects ~9% rate base growth
- Received approval for groundbreaking generation portfolio of 5,800 MW in Colorado
- Resolved multiple electric and natural gas rate cases
- Filed natural gas plans to reach net-zero carbon goals in Minnesota and Colorado
- Retired unit 2 at Sherco coal facility and continued track record of zero layoffs at retiring coal plants
- Department of Energy announced ~\$1.5 billion for multiple clean energy and resiliency projects
- Residential electric and natural gas customers have amongst the lowest bills in the country
- Improvement in SAIDI and continue to exceed targets for wind net capacity performance
- Employer recognition includes:
  - World's Most Admired Companies – Fortune (10<sup>th</sup> consecutive year)
  - Top score on the Human Rights Campaign's Corporate Equality Index (7<sup>th</sup> consecutive year)
  - Best for Vets employer – Military Times (9<sup>th</sup> consecutive year)

# EPS Results by Operating Company

Operating Company	Fourth Quarter		Full Year	
	2023	2022	2023	2022
NSPM	\$0.33	\$0.29	\$1.28	\$1.23
PSCo	0.29	0.31	1.26	1.33
SPS	0.15	0.12	0.70	0.64
NSPW	0.06	0.04	0.25	0.23
Earnings from equity method investments	0.01	0.01	0.04	0.04
Regulated utility	0.84	0.78	3.52	3.47
Holding company and other	(0.10)	(0.09)	(0.31)	(0.29)
<b>Total GAAP diluted EPS</b>	<b>\$ 0.74</b>	<b>\$ 0.69</b>	<b>\$ 3.21</b>	<b>\$ 3.17</b>
Impact of Comanche Unit 3 litigation	-	-	0.05	-
Workforce reduction expenses	0.09	-	0.09	-
<b>Total Ongoing diluted EPS</b>	<b>\$ 0.83</b>	<b>\$ 0.69</b>	<b>\$ 3.35</b>	<b>\$ 3.17</b>

Amounts may not sum due to rounding

# Annual EPS Change

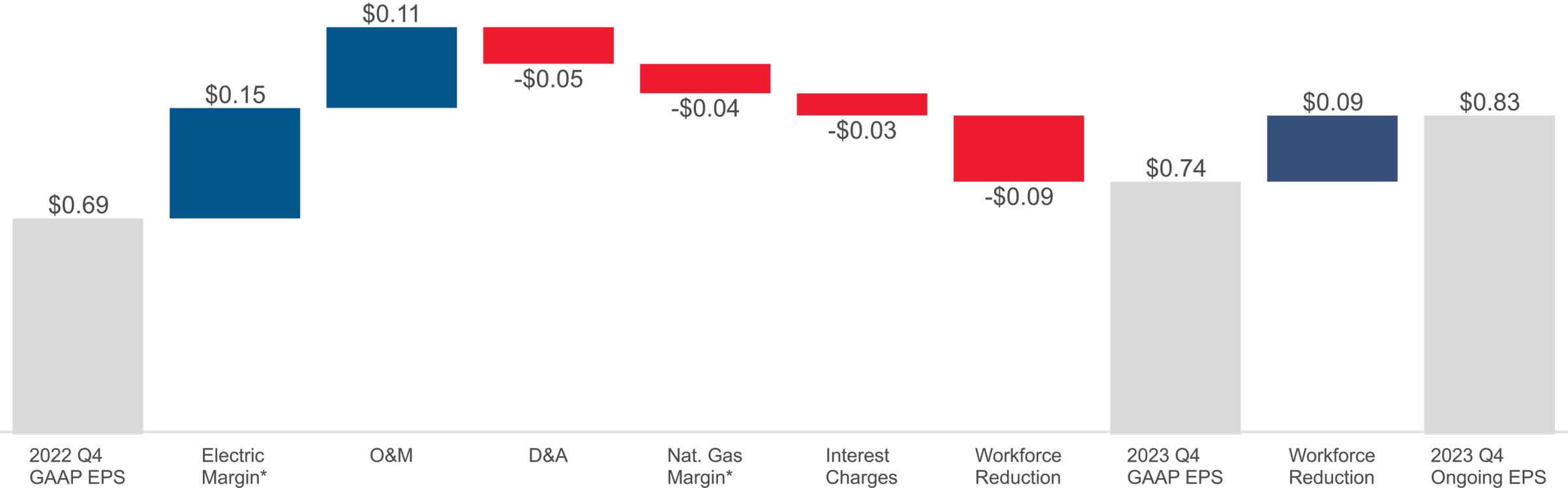


\* Combined electric and natural gas margins include ~\$0.10 of negative weather impacts (post regulatory mechanisms)

\*\* Changes primarily offset by lower electric revenues and are earnings neutral

\*\*\* Primarily related to rabbi trust performance, which is primarily offset in employee benefit cost in O&M expenses

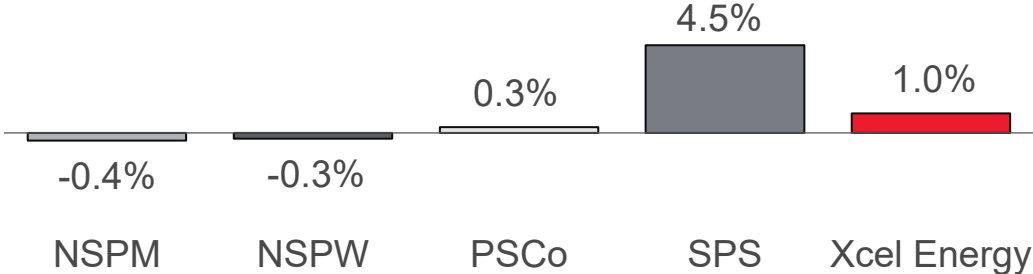
# Quarterly EPS Change



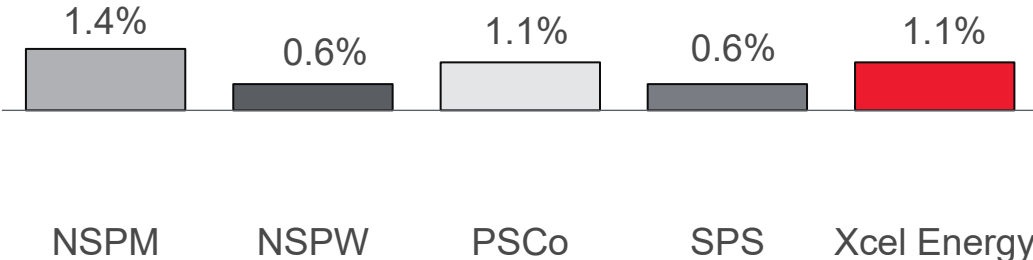
\* Combined electric and natural gas margins include ~\$0.05 of negative weather impacts (post regulatory mechanisms)

# Sales and Customer Data

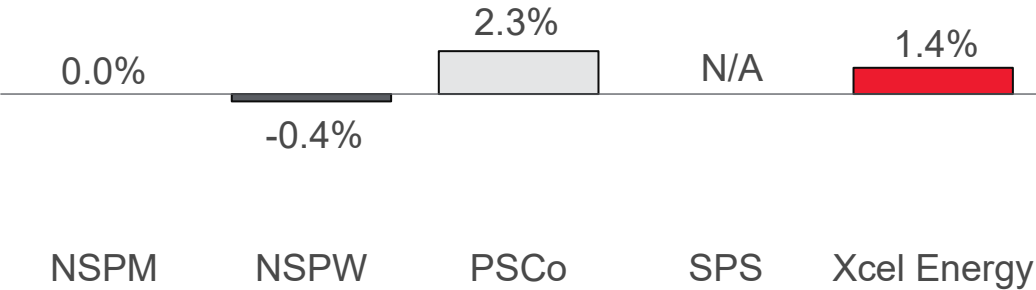
### 2023 W/A Retail Electric Sales Growth



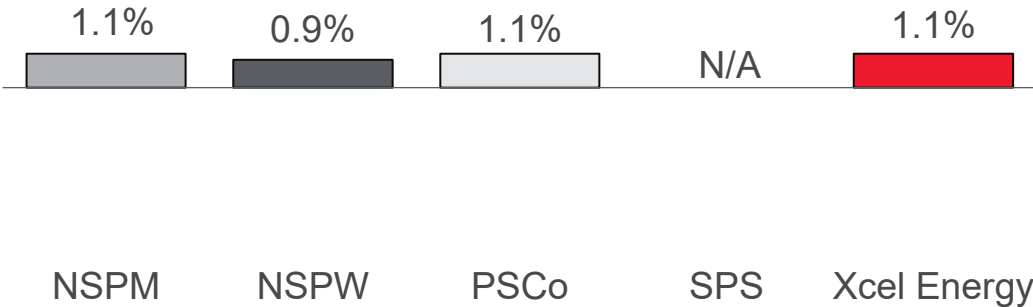
### 2023 YoY Electric Customer Growth



### 2023 W/A Natural Gas Sales Growth



### 2023 YoY Natural Gas Customer Growth



# SPS Texas Electric Rate Case

Proceeding No. 54634

- In December 2023, SPS and parties filed a settlement with the PUCT. Key terms include:
  - Rate increase of \$65 million
  - ROE of 9.55% and equity ratio of 54.5% for AFUDC purposes
  - Acceleration of Tolk coal plant retirement from 2034 to 2028
  - Historic test year ending December 31, 2022
- SPS has requested a surcharge from July 13, 2023, through the effective date of new base rates
- PUCT decision and implementation of rates anticipated in 2024 Q1



# NSPM Minnesota Natural Gas Rate Case

Proceeding No. 23-413

- In November 2023, NSPM filed a natural gas rate case requesting:
  - Base rate increase of ~\$59 million
  - ROE of 10.2%, equity ratio of 52.5% and 2024 forward test year
- MPUC approved interim rates of \$51 million, subject to refund, effective January 2024
- MPUC decision anticipated in 2024 2H

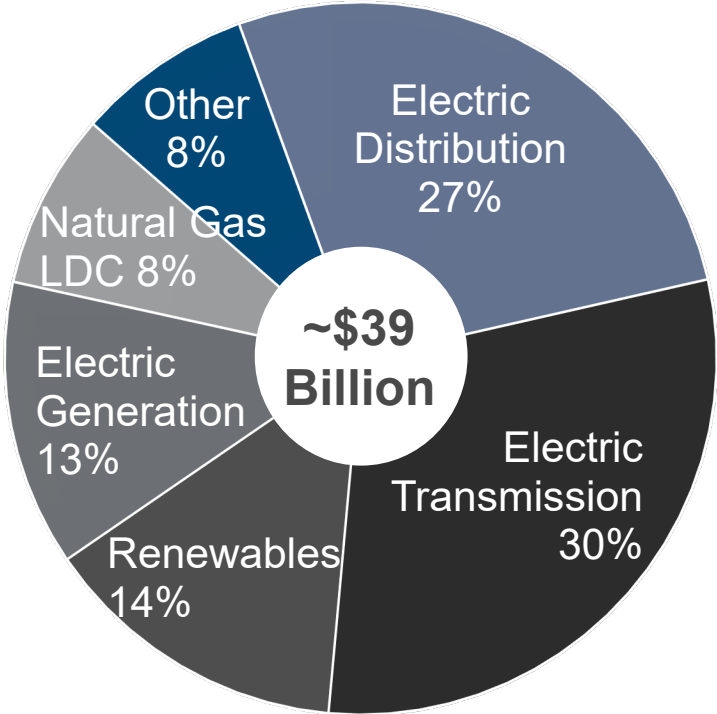
# NSPM North Dakota Natural Gas Rate Case

Proceeding No. 23-367

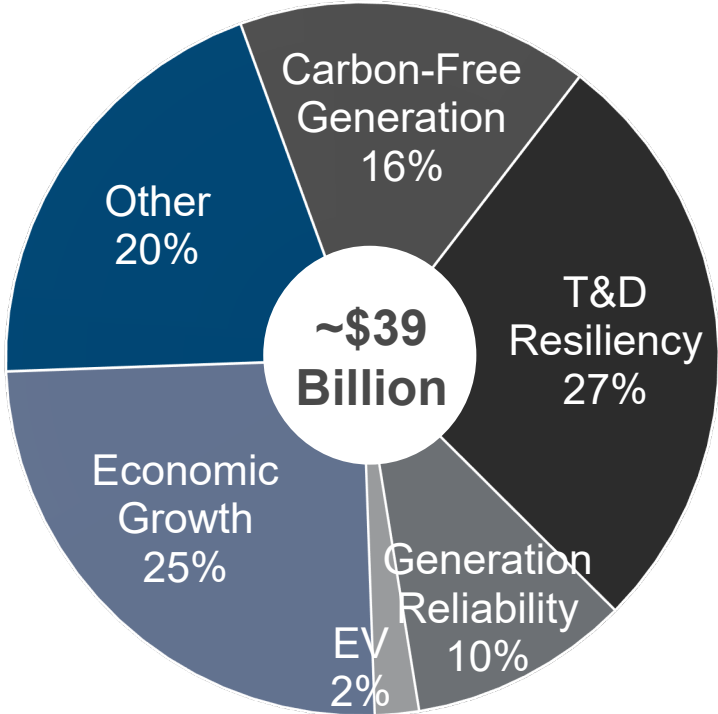
- In December 2023, NSPM filed a natural gas rate case requesting:
  - Base rate increase of ~\$8 million
  - ROE of 10.2%, equity ratio of 52.5% and 2024 forward test year
  - Rate base of \$168 million
- Interim rates of ~\$8 million in effect March 1, 2024

# Updated Base Capital Forecast 2024 – 2028

### Investment by Function



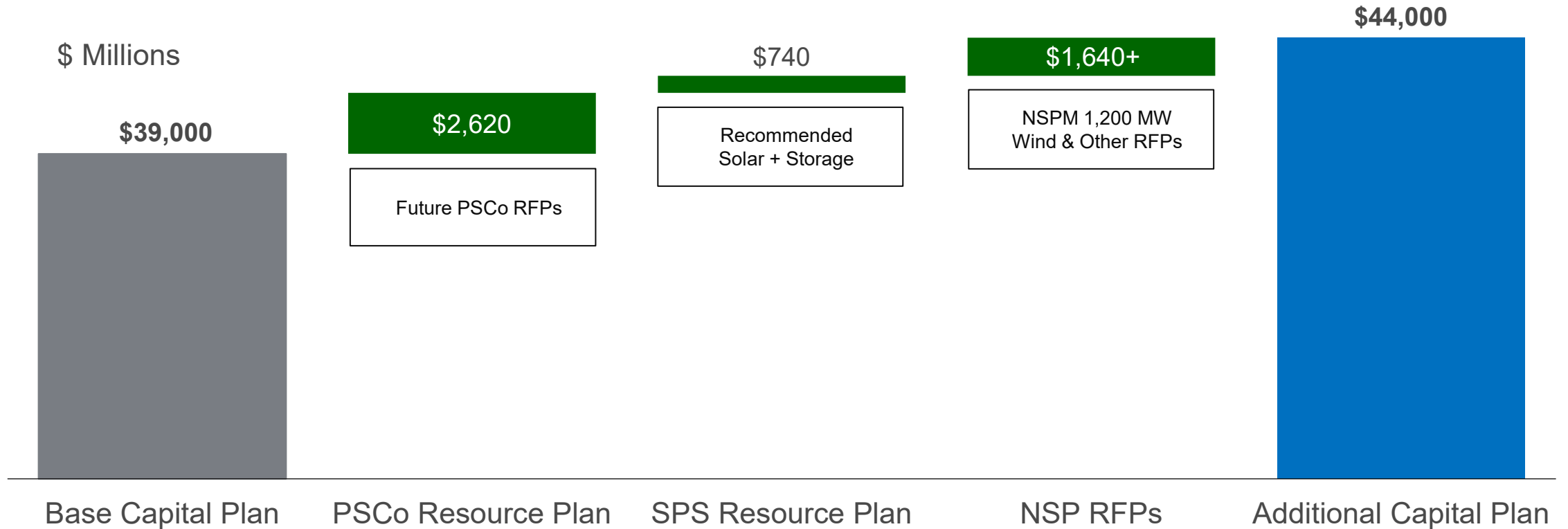
### Investment by Driver



Base capital forecast excludes additional generation investment associated with resource plans

# Additional Capital – Steel for Fuel 2.0

## Additional Capital 2024 – 2028

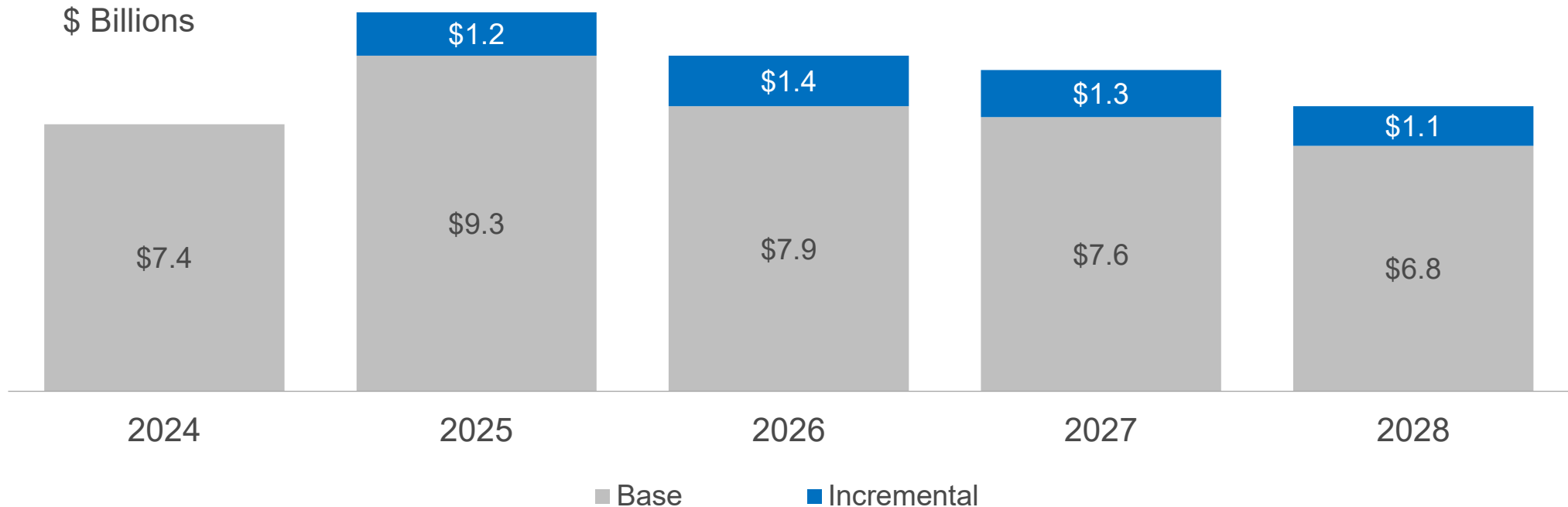


Estimates are subject to change, RFP processes and regulatory approvals

Additional capital investment above the Base Plan would be funded with approximately 40% equity and 60% debt

# Additional Capital – Steel for Fuel 2.0

## Capital Expenditures 2024 – 2028



Estimates are subject to change, RFP processes and regulatory approvals

Additional capital investment above the Base Plan would be funded with approximately 40% equity and 60% debt

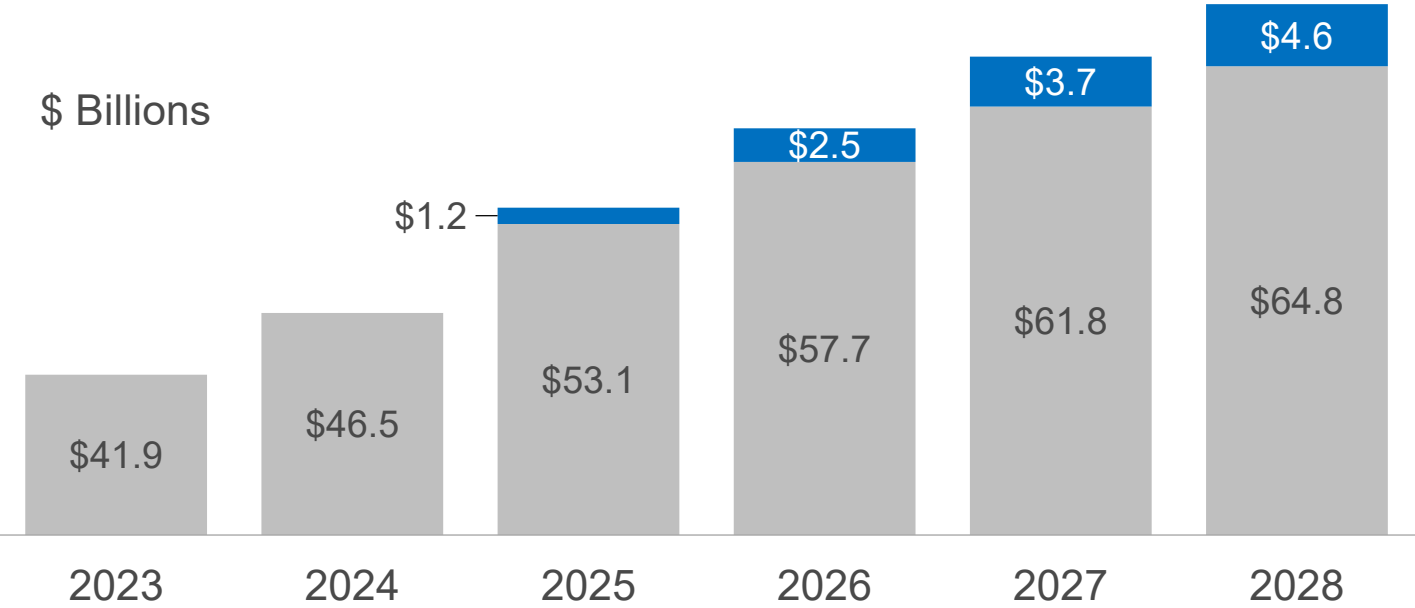


# Strong Rate Base Growth

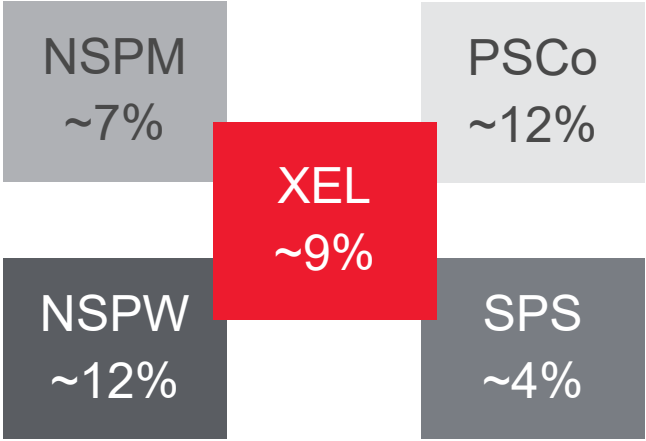
## Xcel Energy Consolidated

*Base 2023 - 2028 CAGR: ~9.0%*

*Additional 2023 - 2028 CAGR: ~10.6%*

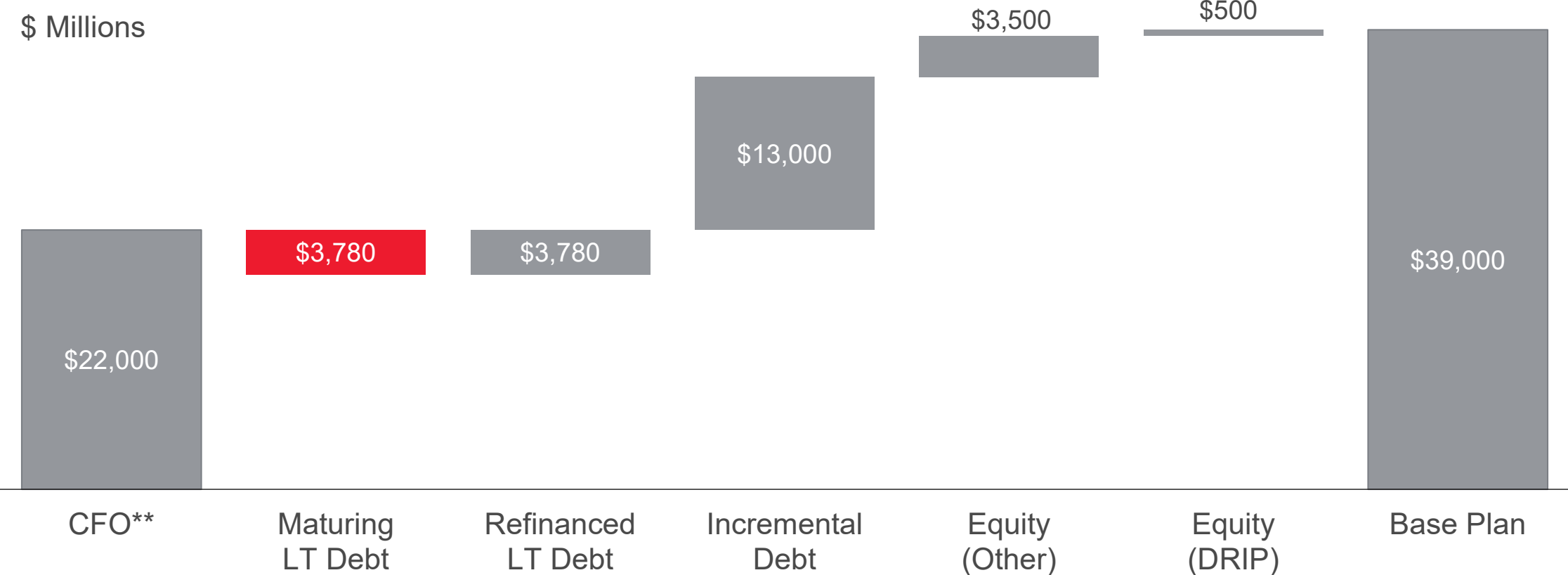


## OpCo Base CAGRs 2023 – 2028



OpCo CAGRs exclude potential additional capital investment

# Financing Plan 2024 – 2028\*



\* Financing plans reflect tax credit transferability and are subject to change

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

\*\*\* Additional capital investment above the Base Plan would be funded with approximately 40% equity and 60% debt

# Current RFP Update

## Current RFPs

**PSCo**

- CPUC approval of 5,800 MW portfolio
- Owned = 3,100 MW (54%; ~\$4.8 billion)
- Transmission (~\$2.6 billion) will be reviewed through CPCN process

**NSP**

- 1,200 MW BOT wind: evaluating bids
- 650 MW solar + storage: evaluating bids
- 800 MW firm dispatchable: bids January 2024

**SPS**

- 648 MW recommended portfolio
  - Decision by 2024 Q3
  - 418 MW solar self build (65%)

**~\$10 billion**  
**~10,000 MW**

## Upcoming RFPs

- Just transition filing in 2024, which could include remaining generation from preferred portfolio
- Additional resource needs through 2030+, including Comanche 3 retirement
- Additional RFP in 2024 to cover remaining 2027-2030 resource needs
- Next Upper Midwest IRP – February 2024
- IRP: 5,000 – 10,000 MW in needs through 2030
- Driven by retiring fossil units, load growth & resiliency
- RFP in 2024 covering resource needs up to 2030

**~10,000-15,000 MW**  
**potential\***

\* Assume 50% self build on listed amount. Subject to change based on actuals and PUC approvals.

# 2024 Ongoing EPS Guidance: \$3.50 - \$3.60

Earnings Drivers	Key Assumptions (as compared to 2023 levels unless noted)
Regulatory proceedings	Constructive outcomes in all pending proceedings
Weather	Normal weather patterns for the year
W/A retail electric sales	Increase of ~2 - 3%
W/A retail firm natural gas sales	Flat
Capital riders (net of PTCs)	Increase \$70 - \$80 million
O&M expenses	Increase ~1 - 2%
Depreciation expense	Increase \$250 - \$260 million
Property taxes	Increase \$50 - \$60 million
Interest exp. (net of AFUDC-debt)	Increase \$130 - \$140 million, net of interest income
AFUDC-equity	Increase \$45 - \$55 million
Effective tax rate (net of PTCs)	~(4%) to (6%). The negative ETR is largely offset by PTCs flowing back to customers in capital riders & fuel mechanisms and is largely earnings neutral

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

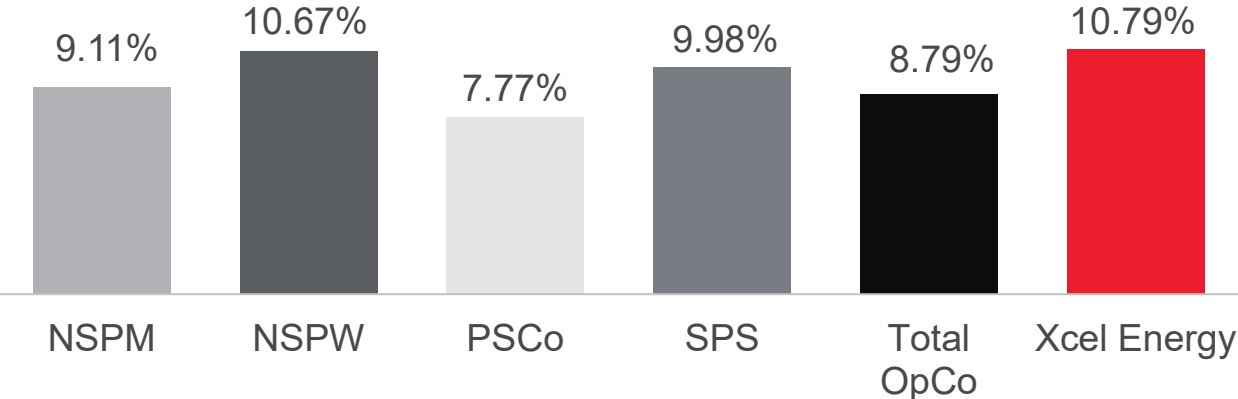
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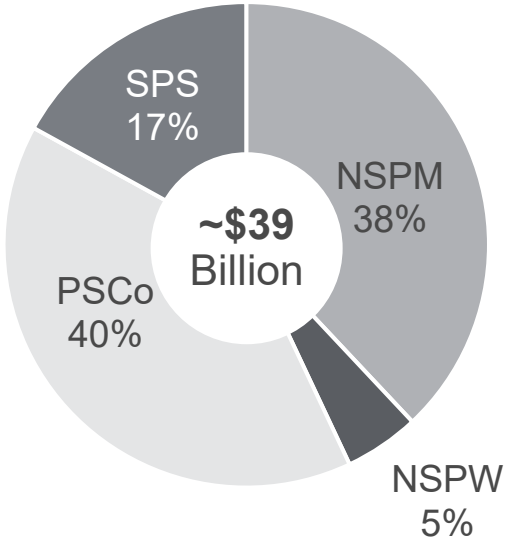
# ROE Results – Ongoing Earnings

## Ongoing ROE\*

Twelve Months Ended 12/31/2023



## 2022 Rate Base



\* Ongoing ROEs exclude impacts of Comanche Unit 3 litigation and workforce reduction

# Base Capital Expenditures by Function

\$ Millions

	2024	2025	2026	2027	2028	Total
Electric Transmission	\$1,710	\$2,020	\$2,450	\$2,850	\$2,470	\$11,500
Electric Distribution	\$1,770	\$1,960	\$2,200	\$2,200	\$2,470	\$10,600
Renewables	\$1,500	\$2,910	\$940	\$240	\$20	\$5,610
Electric Generation	\$940	\$1,290	\$1,050	\$1,060	\$600	\$4,940
Natural Gas	\$740	\$680	\$630	\$620	\$570	\$3,240
Other	\$760	\$420	\$670	\$630	\$630	\$3,110
<b>Total</b>	<b>\$7,420</b>	<b>\$9,280</b>	<b>\$7,940</b>	<b>\$7,600</b>	<b>\$6,760</b>	<b>\$39,000</b>

Base capital forecast excludes additional generation investment associated with resource plans

# Base Capital Expenditures by Company

\$ Millions

	2024	2025	2026	2027	2028	Total
NSPM	\$2,660	\$2,970	\$2,380	\$2,500	\$2,540	\$13,050
NSPW	\$570	\$600	\$570	\$600	\$650	\$2,990
PSCo	\$3,300	\$5,230	\$4,320	\$3,620	\$2,730	\$19,200
SPS	\$910	\$780	\$660	\$870	\$830	\$4,050
Other*	(\$20)	(\$300)	\$10	\$10	\$10	(\$290)
<b>Total</b>	<b>\$7,420</b>	<b>\$9,280</b>	<b>\$7,940</b>	<b>\$7,600</b>	<b>\$6,760</b>	<b>\$39,000</b>

Base capital forecast excludes additional generation investment associated with resource plans

\* Includes intercompany transfers for renewable equipment

# Strong Balance Sheet and Credit Metrics

Plan	2024	2025	2026	2027	2028
FFO/Debt	17%	17%	17%	17%	17%
Debt/EBITDA	5.3x	5.3x	5.3x	5.3x	5.2x
Equity Ratio	41%	41%	41%	40%	41%
Hold Co Debt/Total Debt	24%	22%	23%	23%	23%

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 forecast, include tax credit transferability, and do not reflect rating agency adjustments. The FFO/Debt and Debt/EBITDA ratios are non-GAAP financial measures. FFO is generally calculated as GAAP-basis net cash provided by operating activities, adjusted for working capital and other items. EBITDA is generally calculated as GAAP-basis net income before interest, taxes, depreciation and amortization. Due to the forward-looking nature of these measures, Xcel Energy is unable to provide a reconciliation of these measures to the corresponding GAAP measures.

# 2024 Debt Financing Plan

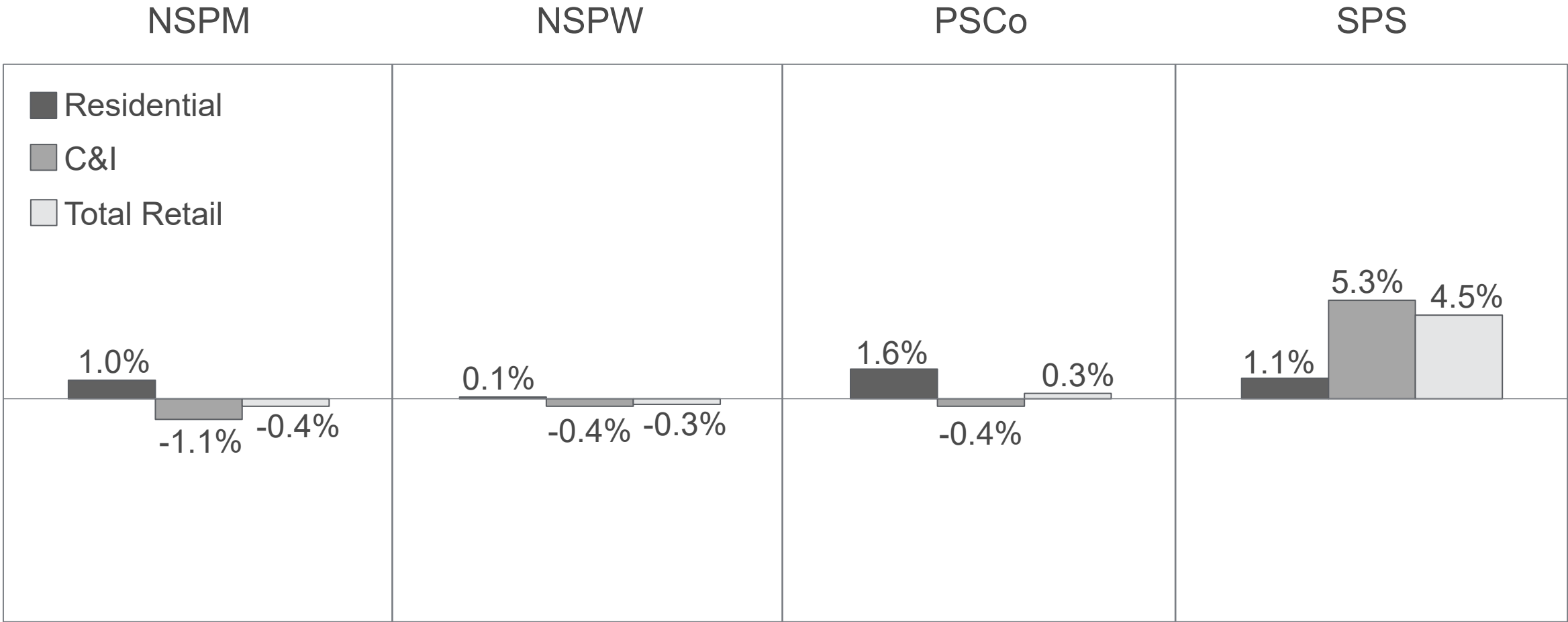
\$ Millions

Issuer	Security	Amount	Anticipated Timing
Hold Co	Unsecured Bonds	\$900	Q1
NSPM	First Mortgage Bonds	\$700	Q1
NSPW	First Mortgage Bonds	\$400	Q2
PSCo	First Mortgage Bonds	\$1,200	Q2
SPS	First Mortgage Bonds	\$550	Q2

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

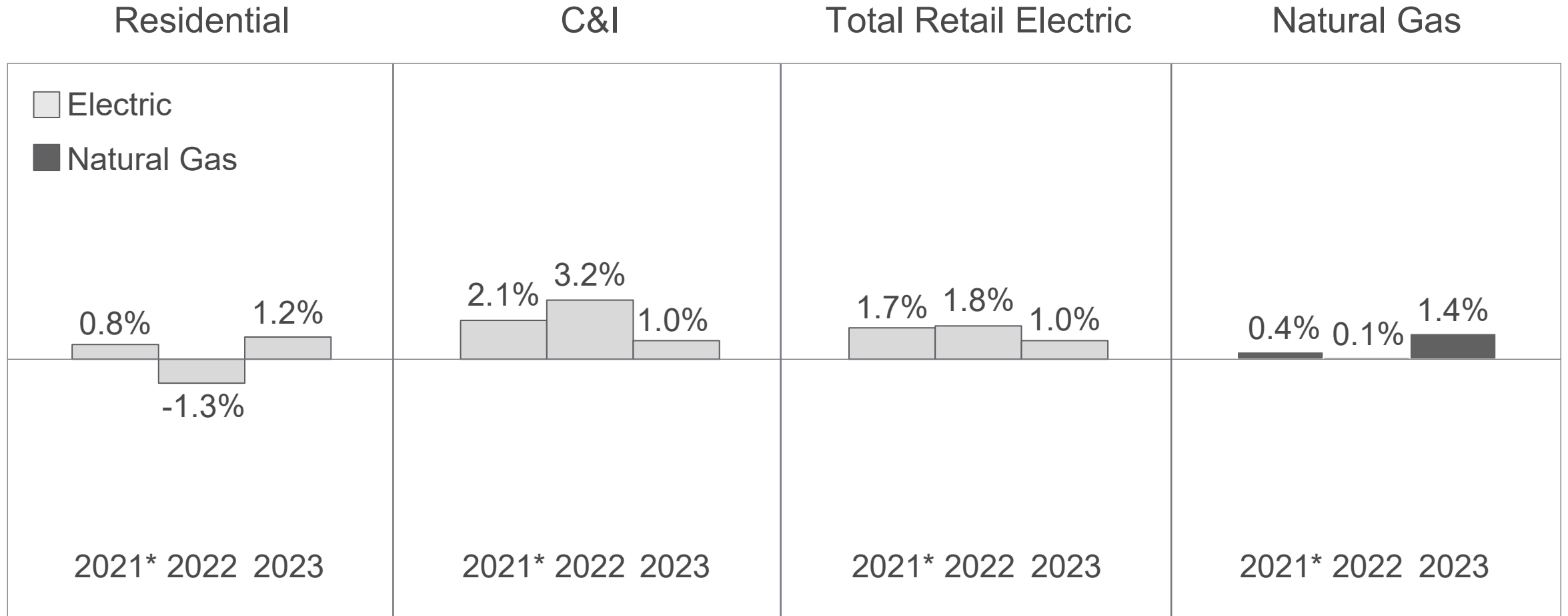


# 2023 W/A Electric Sales Growth



Extreme weather variations, windchill and cloud cover may not be reflected in estimates

# Xcel Energy W/A Sales Growth



\* Leap year adjusted

Extreme weather variations, windchill and cloud cover may not be reflected in estimates

# 2024 Q1 Events

Events	Dates
Barclays Fixed Income Conference	March 5
Morgan Stanley Energy & Power Conference	March 5
Bank of America Power, Utilities & Clean Energy Conference	March 6
MUFG Japan Conference	March 11-12
J.P. Morgan Midwest Utilities & Midstream Conference	March 27

